

# MID-CONTINENT BANKER

(ISSN 0026-295X)

INCORPORATING MID-WESTERN BANKER

OCTOBER, 1983

SOUTHERN EDITION

## Modern Buildings Project Banking's Image to Public

Page 8



Divesting Branches:  
How to Do It  
Page 26



J. W. McLEAN  
Chairman

October 1, 1983

**A WORD OF THANKS  
TO OUR VALUED CUSTOMERS  
AND FRIENDS...OLD AND NEW:**

This is to acknowledge and thank the many of you who have responded so favorably to the recent announcement of our plan for the consolidation of Liberty National Corporation with First Tulsa Bancorporation, Inc., of Tulsa.

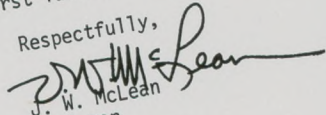
Every effort will be exerted to expedite our plan, but necessary legal and regulatory steps will undoubtedly delay final consummation well into 1984.

Meanwhile, in order to understand more fully the historic significance and benefits of this strong new partnership, certain facts seem worthy of emphasis:

- both Liberty and First Tulsa will continue to serve their respective regions with maximum independence;
- Liberty and First Tulsa will be represented equally on the Board of Directors of the new (yet to be named) parent company;
- CUSTOMERS of each bank will benefit from the more competitive posture of the combined entity in national markets for funding and a substantially expanded lending capacity;
- SHAREHOLDERS of the two former parent banking companies will benefit increasingly over time through an enlarged customer base and a variety of economies of scale;
- EMPLOYEES of the two banks will likewise receive greater opportunities for growth-sharing and career development; and
- as we forge this strongest possible financial axis between Oklahoma's two great metropolitan areas, the entire state will also benefit in a myriad of other ways.

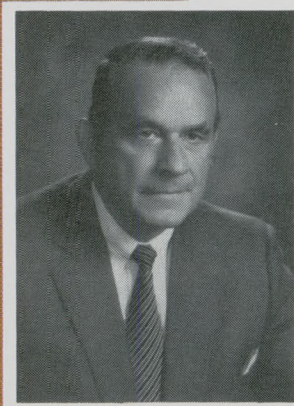
Oklahoma banking laws, which have remained unchanged for many years, have limited our operations and growth severely by comparison with the tremendous change which has occurred in nearly every other state. Thankfully, on October 1, multi-bank holding companies will at last be permissible in our state.

Accordingly, we are grateful both for this exciting new opportunity for superior service...and for the insight and approval of those of you who have already responded so positively to our recent announcement concerning First Tulsa.

Respectfully,  
  
J. W. McLean  
Chairman



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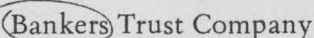
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MID-CONTINENT BANKER for October, 1983

# MID-CONTINENT BANKER

(Incorporating MID-WESTERN BANKER)

Volume 79, No. 10

October, 1983

## FEATURES

- 8 NEW BUILDINGS PROJECT BANKING'S IMAGE TO PUBLIC  
Architects, builders report on recent projects
- 24 BANK CONVERTS RAIL DEPOT  
Evokes memories of city's past
- 26 DIVESTITURE OF UNWANTED BRANCHES  
Specialty of investment-banking firm
- 30 BANK REDESIGNS RECORD-CENTER OPERATION  
Prompted by floodwater threat
- 42 RETAIL BANKING DEPOSIT/CREDIT TRENDS  
Sketched by ABA annual reports
- 46 COMMUTERS URGED TO TAKE A 'COMMERCIAL' BREAK  
Chicago bank's new marketing theme
- 58 BUCKLE PROMOTION POPULAR IN WYOMING  
Makes competition cringe

## DEPARTMENTS

- |                     |                       |                          |
|---------------------|-----------------------|--------------------------|
| 6 THE BANKING SCENE | 48 COMMERCIAL LENDING | 60 PERSONNEL             |
| 32 STATE NEWS       | 50 EFTS               | 61 CORPORATE NEWS        |
| 44 BANKING WORLD    | 54 OPERATIONS         | 62 COMMUNITY INVOLVEMENT |

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## Convention Calendar

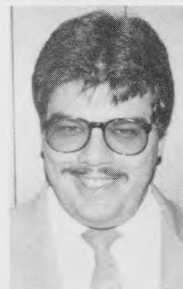
- Oct. 23-25: ABA International Banking Conference, New York City, Grand Hyatt New York.
- Oct. 23-26: Bank Marketing Association Annual Convention, Atlanta, Atlanta Hilton.
- Oct. 23-28: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.
- Oct. 30-Nov. 2: Robert Morris Associates Annual Fall Conference, San Francisco, Fairmont Hotel.
- Oct. 31-Nov. 2: Conference of State Bank Supervisors, Federal Legislative Conference, Washington, D.C., Mayflower Hotel.
- Nov. 2-5: Independent Bankers Association of America, Seminar/Workshop on One-Bank Holding Company, Hilton Head Island, S. C., Hilton Head Resort.
- Nov. 6-18: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- Nov. 9-11: Association of Bank Holding Companies Fall Meeting, Seattle, Westin Hotel.
- Nov. 9-11: Dealer Bank Association Public Finance Seminar, New Orleans.
- Nov. 13-16: ABA National Agricultural Bankers Conference, Los Angeles, Bonaventure.
- Nov. 13-16: Bank Administration Institute Money Transfer Developments Conference, Boston, Westin Hotel.
- Nov. 13-16: Bank Marketing Association Corporate Business Development Training Workshop, Orlando, Fla., Orlando Marriott Inn.

(Continued on page 66)

### New MCB Staffer

ST. LOUIS — John L. Cleveland has joined MID-CONTINENT BANKER as assistant to the publisher.

Mr. Cleveland most recently was with the American Paint Journal Co., a St. Louis-based publisher of national trade magazines. His last position there was editorial director of *Decorative Products World* and *American Painting Contractor*. Be-



fore going to that firm in 1975, he was with two weekly Illinois newspapers. At *The Tribune* in Fairview Heights, Mr. Cleveland was editor. At *The Crusader* in East St. Louis, he held numerous titles, including news editor and sports editor.

Mr. Cleveland received a B.A. in communications from the University of Illinois at Champaign/Urbana in 1972 and a masters of business administration from Southern Illinois University at Edwardsville this year. While at the University of Illinois, he was on-the-air broadcaster for WPGU Radio in Champaign, edited and managed a satirical publication for the university's Sigma Delta Chi chapter and was a technician at a TV station.

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BANK SERVICE

We help orchestrate banking success.



By Dr. LEWIS E. DAVIDS  
Illinois Bankers Professor of Bank Management  
Southern Illinois University, Carbondale

## The Financial Regulatory Labyrinth

**F**OREIGN bankers, who generally have only one supervisory agency to deal with, are continuously amazed at the complex web of over 155 state and federal regulatory agencies supervising U. S. financial institutions.

Even if you were to attempt to draw an organizational chart showing which agency is supposed to supervise the various functions of a bank, you eventually would conclude that the lines are not as clear as they initially appear. The situation was complex in the 1970s, but has grown even more so with the Garn-St Germain provision

the Comptroller of the Currency actually conforming to uniform principles? If they are, the long-discussed uniform playing field in the financial-services industry will have become a reality in most respects. But that, of course, is not the case.

Instead, we find the terrain still hilly and evidence of continuing schisms between the main players in the financial-services market. Recall, for example, that another function of the Federal Financial Institutions Examination Council (under the Housing and Community Development Act of

activity is functioning as a liaison with state regulatory agencies. For several years, there has been gratifying cooperation between the Conference of State Bank Supervisors and the FDIC in coordinating mutual efforts, and the FDIC has expressed its pleasure with a system whereby the results of bank examinations are exchanged with state agencies. Page five of the council's annual report notes, however, that the FHLBB "has declined to accept examination reports prepared by state examiners in lieu of those prepared by bank board examiners."

Of course, the FHLBB is the same agency that some months ago discontinued publication of quantitative data on its problem institutions. The same board also has refused to permit the publication of information on past-due member loans even though an objective of the Federal Financial Institutions Examinations Council is to ensure that information on loans of commercial banks past due by 90 days is made public. The FHLBB also permits its members to operate with real negative capital and to have a fraction of the capitalization on paper that bank regulatory agencies call for.

One can question why the FHLBB refuses to accept reports of state examiners while the FDIC does accept them. A possible explanation is that the FHLBB does not have confidence in the professionalism of state S&L examiners. If so, shouldn't the public be made aware so that corrective action can be taken? FDIC representatives have told me in the past that while they did have confidence in state bank examiners, there were some states whose examiners did not meet FDIC standards. One solution was providing educational facilities to remedy the shortfalls.

Needless replication of effort by examiners and the FHLBB should be eliminated, of course, but there are more fundamental points to consider.

*(Continued on page 40)*

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**"As S&Ls, credit unions, mutual savings banks and other organizations take on the panoply of commercial banks, they should have the same standards applied to them as are applied to commercial banks."**

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allowing other financial institutions to take on many functions that previously were solely within the purview of commercial banks.

It now makes sense to call a number of other financial institutions *de facto* banks even though they may have been chartered as a savings and loan, mutual savings bank, co-op or money-management account.

The Federal Financial Institutions Examinations Council, established on March 10, 1979, under Title 10 of Public Law 95-630 (the Federal Financial Institutions Regulatory and Interest Rate Act of 1978), was to be a formal, inter-agency body which would prescribe uniform principles, standards and report forms for federal examination of the various types of financial institutions.

Four years should be sufficient to see whether the council has done what it set out to do. Are the Board of Governors of the Federal Reserve, the FDIC, the Federal Home Loan Bank Board (FHLBB), the National Credit Union Administration and the Office of

1980) was to facilitate public access to data that depository institutions are required to disclose under the Home Mortgage Disclosure Act of 1975.

In its annual report, the council is required to list its actions, and often there is a three-to-two split between the represented regulatory agencies. One can conjecture which agencies were in the majority and which were in the minority in these actions and occasionally a clue surfaces, such as a comment in the council's annual report about a vote on inter-agency trust-rating agencies. All three of the banking agencies approved a council recommendation on the issue, the report notes, but curiously, the others did not.

It's healthy when a council such as this does not always show unanimity; however, the preponderance of three-to-two votes — apparently along the same lines — suggests an unhealthy division between banking and non-banking agencies. Consensus on the council appears to be rare.

Another important area of council

# WHEN YOU WANT TO GET IT DONE, CALL A CORRESPONDENT WHO HAS BEEN THERE.

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of Kansas City<sup>NA</sup> MEMBER FDIC

**GETTING IT DONE**

# Advanced Building Designs Enable Banks To Project Positive Images to Public

## *Architects, Builders Report on Recent Projects*

**N**EW AND REMODELED bank building projects recently completed indicate the diversity and scope of the bank modernization climate of 1983.

No matter what the economic situation, bank buildings continue to be outgrown by their occupants; new services continue to demand modifications in buildings; problems of lack of space and deterioration continue to demand solutions.

On the following pages, MID-CONTINENT BANKER presents a portfolio of bank building/remodeling projects reported by most of the nation's leading architecture/design/building firms. Each project is unique in that it solved problems being experienced by financial institutions in a way best suited to each institution.

None of the projects could be labeled "grandiose"; rather, they tend to involve medium-sized institutions managed by forward-looking individuals who realize that the appearance of their institutions' buildings mirrors the thinking of those institutions' management.

This image is what draws the public to a bank or thrift and positions the institution as a leader in the community it serves.

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### **Cramped Space Gives Way To Spacious New Bank Via Remodeling Project**

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**M**ANAGEMENT of Bank of Lecompte, La., decided it was time to modernize and expand its aging quarters. The existing structure, built in 1952, was added to in 1967, but again had become cramped and inefficient.

The need for major renovation was readily apparent. The bank's main entrance was only 12 feet from the teller line, with no waiting area or lobby space. President Wade Jones' private office was actually part of the board room. The lack of privacy, storage space, vault area and general work areas had created major problems.

However, the bank had been on the same site since 1902 and was not interested in moving. HBE Bank Facilities, headquartered in St. Louis, provided the solution: an L-shaped addi-

tion wrapped around the existing single-story building and reorientation of the lobby for access to a new concrete parking area.

HBE's design for the modernized bank called for such extensive renovations that the facility is virtually a new building. The original budget did not include exterior treatment, but after analysis of costs and a study of elevations and architectural overlays, Mr. Jones decided to fully develop the exterior as well and create a completely new image. The \$550,000 project totally updated the bank's interior and exterior, and the bank now accommodates twice the number of employees it formerly did.

The project was phased to permit the bank to remain open throughout construction. More than 4,100 square feet of space were added for the new teller line, lobby, bookkeeping, accounting, vault, private offices, rest rooms and storage. Once the new areas were completed and occupied, HBE

began renovating the original 2,600 square-foot portion of the bank to accommodate the employee lounge, boardroom, private office, loan clerks and collections.

The facility's interior was redecorated and updated. Public areas feature a transitional, classic look; private offices are decorated more traditionally. HBE interior designers selected a color scheme of federal blue and neutrals, complemented by wood tambour wall coverings and dark oak furnishings. Blue carpeting and quarry tile flooring provide definition for the bank's various departments.

The bank's new image has created a feeling of pride and excitement, while maintaining the proper balance between functions, work flow and efficiency of operations, Mr. Jones says.

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### **Challenges of Growth Considered in Planning Of F&M Bank, Foley, Ala.**

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**P**OSITIVE and oftentimes rapid growth brings with it a whole new set of challenges that mandates bank management respond in the proper manner and address the needs and desires of the market, says Dick Domurat, president, Design-Build Concepts, Atlanta.

Like many other banks facing this "pleasant dilemma," Farmers & Merchants, Foley, Ala., welcomed its growth cautiously and with a sensitivity to what made the bank successful in the first place.

The bank's priority for its new facility was clearly defined: "While financial assets grow, the most vital asset of friendly, personal service must be maintained and continuously strengthened."

Bank management and Design-Build Concepts were aware that, in a marketplace consisting of big-city, HC and independent banks, customers have a wide variety of institutions from



which to choose when selecting a financial institution. They also realized that most customers want "big-bank" services performed in a warm, friendly and personal "small-bank" atmosphere.

Farmers & Merchants definitely is a growing institution. Its assets doubled from \$45 million to \$90 million from 1981, when a building program was initiated, to 1983, when its new facility was opened. The growth came solely from increased market share — no mergers were involved.

According to Mr. Domurat, intelligent planning begins with a sound projection of either assets, deposits or some barometer to indicate future activity level. This projection dictates gross space required. Then operational plans can fall into place and space design can begin. Farmers & Merchants was seen as becoming a \$100-million institution, a deposit level that made it challenging to maintain the "small-bank" atmosphere.

Bank designers avoided the "ivory tower" concept that is synonymous with larger banks by planning specialized departments that are identifiable

and easily accessible to customers. Services housed in more than 23,000 square feet of space were made to appear intimate and within reach through deliberate planning, Mr. Domurat says. Yet the operational plan is flexible enough to adapt to future changes.

An "earthy" theme is present throughout the facility. Contrasts in texture, daylight, plantings, dramatic space and shapes, earth-tone materials and openness present a natural and inviting atmosphere. Such aspects have permitted Farmers & Merchants to retain its "friendly bank" appearance.

"Growth is exciting and so are the new building programs that come with it," Mr. Domurat says. "It's an opportunity for change and new direction. It's not the time to lose sight of what created the bank's success, but time to strengthen its image and deliver banking philosophies in the best way possible." ● ●

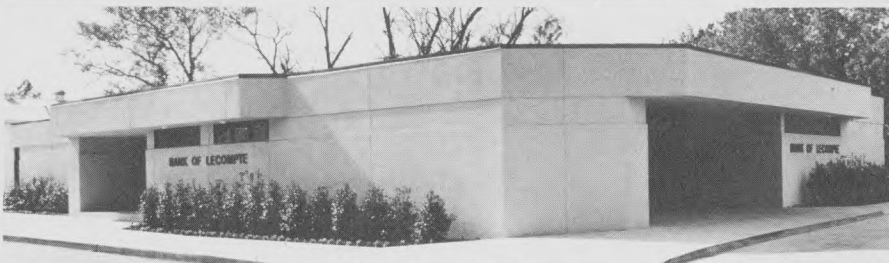
## Building Represents Image Of Institution to Town; Attracts New Customers

**T**HE BUILDING represents the image of the financial institution to its community, say the people at Bank Building Corp., headquartered in St. Louis.

And to prove it, they cite the example of West Bend (Wis.) Savings' new main office.

Although the thrift is the largest financial institution in West Bend, its building belied the fact. Other financial institutions in the area did a better job of presenting their images because they had more impressive buildings. Thus, according to Richard A. Larson, president/CEO, new business firms entering the community seldom approached West Bend Savings first.

To make things worse, the cramped quarters the thrift was occupying, although located strategically, limited the institution's capacity for growth. Everyone involved could see that what was clearly needed was a new or re-



Before (top) and after (bottom) views of Bank of Lecompte, La., showing how major expansion project affected appearance of institution. HBE Bank Facilities wrapped L-shaped addition around existing building and lobby was reoriented to provide access to new concrete parking area.



Exterior (l.) of Farmers & Merchants, Foley, Ala., gives appearance of strength, yet abundance of glass "invites" customers inside. Interior (above) features earth tones, easily identifiable departments that provide "small-bank" atmosphere. Project was handled by Design-Build Concepts, Atlanta.

modeled facility that would present a dominant new image for the thrift in West Bend.

Bank Building Corp. (BBC) was chosen by the thrift's building committee because, according to Mr. Larson, "BBC understood our needs and came up with a far better concept. We had confidence it could handle the entire project and the firm gave us an early guarantee on cost."

Thrift management made one important provision when the contract was signed: No business interruption during construction!

To determine the optimum size of the new facility, BBC conducted a market study to estimate growth of market area, market penetration, asset/liability growth, types of new business, departmental service and staffing needs and affiliate growth.

"Based on BBC's projections, we agreed to nearly triple our existing space, from 9,300 square feet to 27,000 square feet," Mr. Larson says.

The design called for integrating the existing building into a modern, visually impressive, highly efficient structure that would reveal no difference between the new and old sections. "We didn't just expand the old building, we literally built a new one around it," Mr. Larson says.

While the new section was being constructed around the old section, normal operations were conducted in the old section. After the new section

## Bank Uses Portable Facility



Union Planters Nat'l, Memphis, is installing ATM facilities that are totally movable. The facilities permit the bank to consider short-term leases, test market new locations and save costs by mass producing the units. The units, which are manufactured by National Bank Builders & Equipment, Walls, Miss., feature a concrete slab foundation that permits installation of the ATM machine at the manufacturing plant.

was completed, the thrift moved out of the old section and into the new over a weekend with no business disruption. Then the old section was renovated.

"The whole job went very smoothly, in spite of an extended construction strike," Mr. Larson says. "BBC's project manager adroitly handled communications between union and non-union factions to keep the project on schedule and within budget. He also provided an unexpected benefit as a greatly appreciated buffer between us and the subcontractors, some of whom were good customers."

One of the beneficial results of constructing the new building is that new

businesses coming into the community now come to West Bend Savings first. "We give our building much of the credit for this success," Mr. Larson says.

"One thing we've learned," concludes Mr. Larson. "If there is a need to expand for sound business and economic reasons, current business conditions seldom warrant delaying that decision." ●●

## 'New' Empire-Era Decor Transports Bank Building Into 1800s Atmosphere

THE DESIRE to "do something different" in the way of bank modernization has resulted in a unique and impressive "new" look for First National, Baraboo, Wis.

With an eye for detail and a desire to create a unique overall impression, First National's management has restored the bank's building in the style of banks of the 1830s, a period known as the Empire Era.

The original bank building, built in 1927, has high ceilings and columns that lend themselves to the style of the Empire Era. Thus, that era was selected as the theme of the bank's remodeling project.

Interior designer Lise Lawson compares the restoration to that of designing a movie set — every detail had to be unique, yet fit in and complement the overall design.

Creating an authentic Empire-Era atmosphere in the bank took months of research and the combined efforts of Ms. Lawson and the project architect, Bruce Jackson. Ms. Lawson is associated with Design Associates, Milwaukee.

The two traveled to museums and pored through books researching carpet patterns, colors, drapery styles, lighting styles and trim before drawing up plans for the bank's restoration.

"Once we knew what we wanted, we had to track down the pieces," Ms. Lawson says.

The search led them to England for specially made mahogany desks, boardroom table and chairs, an antique chandelier original to the period and custom-made carpeting that incorporates new colors into a classic Empire-Era pattern.

The chandelier is a dazzler and is a reproduction of an original design from the 1800s. It hangs in the bank's lobby. Teller windows and a fireplace in the boardroom are made of marble.

Completing the design are antique pieces that include a neoclassical bust near the stairs, American bird prints in

## Private Areas Seen as New Trend in Bank Decor

"The developing new trend in banking is the creation of private areas for specialized customers," states Bruce Archibald, president, Cannell & Chaffin Commercial Interiors, Inc., Los Angeles. "Creation of these private environments on a given floor where complete transactions can be conducted is the newest and most innovative program banks are addressing," according to Mr. Archibald.

"An example is the Bank of California in Beverly Hills, where we developed a single floor for 'celebrity customers.' In other states we are creating these areas for customers whose needs are broad and expansive beyond that of the traditional customer," Mr. Archibald says.

"Cannell & Chaffin believes in customizing these special areas to the specific needs of individual banks, and I foresee this area of interior design opening up a total new area for the decade ahead," Mr. Archibald emphasizes.

The full-service area of Bank of California's Beverly Hills branch has



an accent on privacy with a transitional oriental theme of elegance. Black and pink marble detailing and rosewood columns are complemented by a dusty rose oriental rug, antique Chinese lithographs and art objects.

John Miller, vice president/manager of the bank, stressed that the atmosphere and mood of the project were designed to provide the ultimate in a private atmosphere for the bank's celebrity customers who require this kind of specialized service.



Before



## REMODELING FOR RESULTS

Successful remodeling takes more than just a "face lift." It is usually more demanding than new construction.

Fitting a new design to an existing structure demands highly specialized skills in architectural design and space and function planning. It requires the ability to anticipate problems unique to your building. Plus, a special sensitivity to your needs as well as those of your customers.

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*Meeting the needs  
of the community  
you serve... by design.*



# Imagine building a new home for your bank with someone a thousand miles away from home.

"When you think about building, you naturally consider your own local resources first," says Frank Etheridge, president of Perkins State Bank in Williston, Florida. "We had capable firms available, but we'd also heard about the fine plan-design-build reputation of HBE up in St. Louis. We decided to investigate."

## **"We found they knew a lot more about banks because they make this business a specialty at HBE."**

"The best word for it, I think, is professionalism. HBE really knows what makes banks tick. They work with so many they can tell you right away if an idea will work or if there's a better way to do it altogether. That's the kind of competence that can also save you from somebody else's naive mistakes. Everybody can see it—we even have contractors on our board, but we all became convinced that HBE's superior expertise made it the clear choice."

## **"The thousand miles vanished when we got HBE for neighbors right here in town."**

"When construction actually began, HBE immediately moved their superintendent into our area. He was here for the entire time, working on a daily basis with local subcontractors. And it went so well, as a matter of fact, that the entire project was completed almost sixty days ahead of schedule."

## **"They really have the people—in force."**

"Some organizations, despite their reputation, can leave you with just a salesman to deal with.

But HBE is fully staffed with architects, engineers, construction managers, and so on. And they're always just a phone call away. Any time you want to talk to them, they're all there under one roof—real professionals, on staff, who know what they're talking about."

## **"We're attracting more business, too."**

"HBE helped us increase our customer appeal by developing an entirely new and exciting image program. It embraced not only the concept of the building and the site, but a new logo and an entirely new corporate identity. When we moved in, we saw business increase by more than 50% the first year. That's the kind of marketing insight you get from HBE."

## **You can put your full confidence in HBE.**

We can underline what Mr. Etheridge has said. HBE is determined to make every project work the way you want it to. Call or write me, Sally Eaton, right now at 314/567-9000. HBE Bank Facilities, 11330 Olive Street Road, St. Louis, Missouri 63141.



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an office and an American Indian statue in the boardroom. All help give the bank both a period look and atmosphere.

Aside from its new look, First National's remodeling had its practical aspects. The building was lengthened by some 40 feet and the second floor was utilized for office space.

The exterior wasn't overlooked. Flowering crab apple trees were planted along the street, adding impact to the bank's appearance and making the city square more inviting. ●●

## Old Building's Problems Solved With Design For New Structure

**E**VERY BANK is unique in its situation, including problems associated with an outdated building.

Murphy-Wall State, Pinckneyville, Ill., was bursting the seams of its 1907-era building. It had no drive-up facilities, no convenient parking area, no

private areas for conducting important discussions with loan customers, no way to expand its vault to accommodate new safe-deposit boxes and no space to expand or carry on private conferences for customer services.

All these problems were overcome in the design for the bank's new 15,000-square-foot building, which was handled by the Bunce Corp., St. Louis.

"When we made the decision to go ahead with the project . . . we knew we wanted to hire a company with experience in the complete sense of designing and building banks," says Bob Crawford, bank president. "When we contracted with Bunce, we really turned a lot over to them."

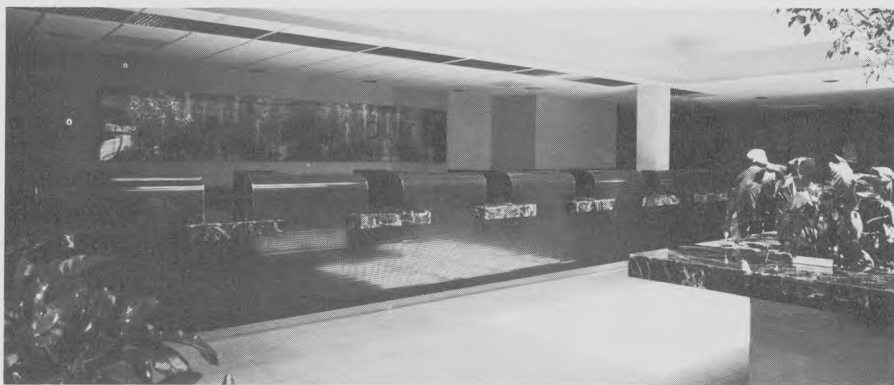
The bank's new facility is a great enhancement to its customer-service capability. New services include an ATM, and walk-up-window service that was popular in the former building was retained. The new structure also offers customers privacy when dealing with the bank.

The bank is able to operate with a lean staff primarily because of department placement. Bookkeeping and proof operations are on the first floor, a short-term arrangement that permits the bank to operate with a minimum of personnel at maximum efficiency. As the bank grows, it plans to move these departments.

The architectural design of the building features a large sloping roof made of "super slate" that resembles a tile roof and blends with the oversized grey brick used on exterior walls. The roof features a skylight that allows the sun to shed its path of daylight, illuminating the interior throughout the day.

The teller line is constructed of a corrugated laminate and is the focal point of the lobby. The color scheme features blues and mauves that are sometimes restful and soft, sometimes vibrant.

The new building is considered by many to be bank management's strong expression of pride in its community as well as a special testimony to Mr.



Teller line is focal point of lobby of Murphy-Wall State, Pinckneyville, Ill. Corrugated laminate in mauve color was used for teller line. Bunce Corp., St. Louis, was designer/builder for project.



Interior of Peoples Bank, Chalmette, La., features contemporary design highlighted by natural daylight from atrium. Ernest E. Verges & Assoc., New Orleans, was designer.



Eye-catcher in lobby of First Nat'l, Baraboo, Wis., is crystal chandelier, reproduction of an original design from 1800s. Design Associates, Milwaukee, handled project.

Before (below, l.) and after (below, r.) photos of West Bend (Wis.) Savings. Thrift expanded by building new addition around core building. Bank Building Corp., St. Louis, handled project.



Crawford's father, William, who was president of the bank for 53 years. ●●

## 'Unmodular' Bank Bldg. Chosen by Bank in Texas By President, Consultant

WHEN Jack Harvard, president/chairman, Willow Bend National, Plano, Tex., and Larry Heine, owner of Larry Heine & Associates, bank consulting firm, were sorting out priorities for a new bank facility, certain criteria were not subject to negotiation.

Mr. Harvard wanted his building in place as quickly as possible for the realistic "business-environment" reason of creating cash flow.

"We work hard for our money, and as a consequence we make our money work hard for us," says Mr. Harvard. He wanted a structure that would establish an aggressive "pecking order" within his bank's trade area and stated that, "As bankers, we wanted to get the biggest bang out of our available bucks. Ultimately, we decided for obvious reasons to accelerate our opening time and also be within a cost-effective ratio. As a consequence, we decided to utilize the modular concept. The one thing we wanted to avoid, however — for image is important to any bank — was a modular look," he says.

After extensive architectural con-

sultation, Mr. Harvard and his investors selected Son Corp., Wichita, to supply the building. "Son had a reputation for laying in a quality building quickly with no cost overruns," he says. "We selected Son also because it has placed more than 400 bank branches. Our architects worked with Son engineers to develop a functional building of considerable distinction."

Mr. Harvard feels that the high-roof chateau mansard with balustrade gives esthetic merit to the building. In addition, interior decor is punctuated with period furniture, oriental rugs and an English antique pulpit that serves as a unique customer check-writing stand. "We have a livable bank," he says.

"Banking is becoming a fast-moving industry," he adds, "and, as an industry we are going to have to move with greater alacrity to meet demand and properly service the complex public domain. We feel we have responded by providing a facility in Plano of which we all can be proud, and we know we have proved that modular doesn't look modular anymore." ●●

## Bank Doubles Floor Space With Two-Story Addition; Unique Teller Line Added

AN EFFORT to obtain additional space for expanding departments was the primary reason Fairfield (Ill.) National doubled its square

footage recently by adding a two-story extension to its building on the town square.

According to Max Gray, executive vice president, the bank had run out of space for offices. There was no place to locate additional teller windows and the bookkeeping department was crammed into a space on the first floor that was too small. The bank's drive-up also was in need of expansion to handle increasing business.

Arrangements were made to purchase adjoining lots to the north of the bank's building. Structures on those lots were demolished and the two-story bank addition was constructed on the site with Richard L. Bacon, Ste. Genevieve, Mo., as project architect.

Mr. Bacon had handled the bank's original building, so he was familiar with the situation. He designed a few "extras" into the plan, including an outdoor glass elevator for the addition and a decorative exterior water fountain and public seating area at the entrance to the bank.

Bank management desired privacy for each customer at the teller windows, so Mr. Bacon designed a concave, gold-mirror-faced teller line with 12 positions. Customers using the line are ensured privacy because the configuration of each teller area provides a barrier between stations. A model of the teller line was constructed because of its complexity before the actual line was built.

Mr. Gray says there was no disruption of banking service during the construction project. He adds that customers coming into the bank can't tell where the original bank and the addition join, as the ceiling of the original structure was redone to match that of the addition.

Mr. Gray says business has increased since the expanded bank was completed. Public receptivity has been excellent and everyone appreciates the fact that the additional space has made bank services more available to the public. ●●

## Phased Building Project Underway in Louisiana

A TWO-PHASE construction project is underway at Peoples Bank, Chalmette, La., under the direction of Ernest E. Verges & Associates, New Orleans.

Phase one, completed in July, consists of a branch facility of two stories with a virtually maintenance-free exterior of insulated, off-white porcelain enamel panels that gives the bank a contemporary appearance. Periodic

## Design Award Winners Announced



FIRST SAVINGS & Loan, Borger, Tex., has won the first-place design award given annually by Bank Building Corp., St. Louis, designer/builder of financial facilities.

The S&L's architect and the design team were commended for "a unique integration of disciplines producing a distinctly unified whole — an outstanding example of total architectural design."

Awards of excellence went to Bank of Lake of the Ozarks, Lake Ozark, Mo.; Hawaii State Employees Federal Credit Union, Hilo; and Century National, Washington, D. C.

Judges included Tai Soo Kim, AIA, president, Hartford Design Group; Jack C. Durgan, AIA, Kansas State University; and Howard Van Heuklyn, AIA, Verge-Clatworthy, Los Angeles.

The awards were established in 1972 as part of a Bank Building program to encourage design excellence through peer recognition and quality performance.





Exterior (above) and interior (below) of Willow Bend Nat'l, Plano, Tex. Exterior's high-roof chateau mansard with balustrade helps belie fact that structure is modular. Interior features period furnishings and oriental rugs. Son Corp., Wichita, Kan., supplied the building.



Two-story structure was built for Citizens Bank, Manhattan, Kan., to connect bank's original one-story building and a drive-up facility which had been 90 feet apart. Alvin Row, Architects, Lenexa, Kan., handled project.



Two-story addition to Fairfield (Ill.) Nat'l features elevator "with a view" and fountain and benches as esthetic touches. New structure backs up to one-story original building built in 1971. Richard L. Bacon & Associates, Ste. Genevieve, Mo., designed both buildings.



hosing of the walls keeps them clean, according to the Verges firm.

The facility includes a "head-on" motor bank with eight lanes featuring remote-teller units, one of which is for commercial accounts.

The building's interior was designed around a glass-enclosed atrium that brings natural daylight into the lobby. The second floor contains the computer and proof departments, bookkeeping operations and an employees' lounge. It is glass-enclosed on the side overlooking the atrium.

The second phase of construction will consist of a five-story bank/office building that will include expansion of present banking facilities and addition of rented office space. When this phase is completed, the facility will become the bank's main office. When the expansion takes place, the teller area will be increased from eight to 12 stations.

The completed project will give the bank about 15,000 square feet of space and will cost approximately \$2 million.

### Bank Recycles Building To Expand Quarters

Comerica Bank-Jackson, Mich., made use of an adjacent vacant building to enlarge its quarters recently. The bank "recycled" a building

### On the Cover

Unique teller-line configuration at Fairfield (Ill.) National (top, left) uses concave arrangement to ensure privacy of bank customers. Richard L. Bacon AIA Architect & Associates, Ste. Genevieve, Mo., handled expansion project.

Retaining "small bank" atmosphere for "large bank" was challenge facing Design-Build Concepts, Atlanta, when it drew up expansion plans for Farmers & Merchants, Foley, Ala. (top, right). Challenge was met by including easily identifiable departments in plans.

New banking floor at Bank of Lecompte, La. (middle, left), features clean lines and neutral colors. Teller stations are backed by wall of wood tambour. HBE Bank Facilities, St. Louis, handled the project.

Exterior of Murphy-Wall State, Pinckneyville, Ill. (middle, right), includes super-slate roof with skylight to illumine bank's interior. Bunce Corp., St. Louis, supervised design and construction of the building.

A new building around an existing building was answer to expansion needs of West Bend (Wis.) Savings (bottom). Bank Building Corp., St. Louis, handled the project.

formerly occupied by a retail chain, and, in so doing, eliminated the need to relocate.

The expanded quarters enabled the bank to house all departments under one roof. Several departments had been relocated to branches due to lack of space in the original building.

Remodeling included application of a liquid gypsum floor to assure adequate soundproofing, improve the fire rating of the building and provide a durable working surface for flat-wire cable that houses electrical and phone systems.

The interior features open landscaping of areas to provide more space for bank departments and permit easy expansion of department space.

Architect for the project was TKACZ Associates, Plymouth, Mich.

### Bank Joins Structures With 2-Story Addition With Little Service Loss

CITIZENS BANK, Manhattan, Kan., opened its doors in its new one-story building in 1958. The bank's growth demanded additional drive-up services and a new one-story drive-up facility was built 90 feet from the main building in 1977.

(Continued on page 19)



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## HC Provides Building Service For Financial Institutions in SE

**A**T FIRST Tennessee Bank, Memphis, business isn't just banking; it's construction, too!

It's construction management, that is, such as erecting bank buildings and branches, remodeling main offices, adding drive-in facilities and transporting ATM buildings across the Southeast.

"It's an innovative business for a bank to be in, but we have been quite successful with this service for a number of years simply by word-of-mouth advertising," says William "Bill" Crosby, vice president/manager of First Tennessee's properties-management division and head of the construction-management service.

"Now, however, the market is excellent and we are aggressively seeking new accounts. We feel our service is second to none."

Construction management is just one of many new areas in which banks now are becoming involved in an effort to compete with other financial institutions, Mr. Crosby says.

"The design and operation of a bank can play just as important a role in its success as what is happening inside," he says. "And because we are bankers we can offer the expertise that normal design/construction firms can't offer. An inefficiently designed branch can result in a waste of time and people — therefore money."

Mr. Crosby says financial institutions have peculiar design needs. Among these needs is the best location for the night depository and exactly how high it should be. Tellers also must have specially designed work areas, arranged in a sort of assembly-line fashion. Drive-in windows pose special problems too, such as the width of the lane, the height of the windows and their ultimate effect on traffic-flow patterns.

Banks no longer can afford the "monuments" built in the past for branches, Mr. Crosby says. "We have to think small in terms of building size and yet provide customers with the services they need where they need them."

The most unusual work of the construction-management service is the physical transportation of portable ATM buildings and convenience branches that can be moved in one piece to various locations.

"We bring everything at once, and the building can be fully operational within an hour, whether it be an ATM building or a staffed convenience branch." Buildings are complete with furniture and bank-related equipment.

Moving an ATM facility no longer is a big task, Mr. Crosby says. Six jacks, linked to a micro-computer, are used. The operator pushes six buttons that cause the jacks to raise the building and simultaneously extend six legs, on which the building rests as the body of a spider rests on its legs. Buildings are put on flatbed trucks and delivered. When they reach their destinations, the process is reversed and buildings are operational within a short time.

The majority of First Tennessee's customers in the past have been respondent banks, Mr. Crosby says, which has given rise to the notion that First Tennessee has added building availability to its list of correspondent services.

"Respondent bankers come to us because they know us and know that we are knowledgeable about constructing branch facilities because of the extensive branching system First Tennessee supports in the Memphis area," Mr. Crosby says. ● ●

Continued growth prompted President Alan Bell and his board to initiate a study in mid-1981 to establish a program to satisfy the bank's building requirements.

After being interviewed by bank representatives, Alvin Row Architects, Lenexa, Kan., was selected to formulate a plan that would accommodate the bank's present and future needs.

The bank's earliest considerations called for relocating on another site on the main arterial street of Manhattan, thus becoming part of a newly proposed downtown redevelopment program. But the usual problems of limited building budget, high site costs, access to proper traffic, adequate parking and proper regard for customer service and community image made acquiring another site too expensive. Also, because the bank's existing structures had been built for specific uses, their marketability was reduced.

The combined properties were large enough for development, but presented a number of problems.

Alvin Row Architects studied existing conditions and came up with several master plans for development of the bank's site.

"We found we could maintain much of the existing buildings' functions and spaces with little dollar reinvestment in those spaces," says Mr. Row. "The selected design connected the two buildings with a two-story building that partly covered the old main bank building. A lightweight skin-insulating wall material was selected to tie the complex together and provide needed insulation for the older buildings. The lightweight skin allowed the maintenance of existing overhang structures so that costs of the 'new look' were minimized."

The design provided for continued banking operations at both facilities during construction, with little or no interruption of service to customers.

For a short time, while the drive-up lanes were blocked by construction, Mr. Bell instituted "curb-service motor banking" that had drive-up tellers attending customers at their cars. Some work in the existing building was performed over weekends to keep interruptions of bank services to a minimum.

With the addition of 16,000 square feet of space to the bank's original 6,500 square feet, the bank has plenty of space on the first floor for several years' growth. The upper floor in the addition is being leased until the bank needs the space. ● ●

## Rammed-Earth Construction Cuts Cost of Bank Building

Who has ever heard of a "dirt" bank?

The people associated with Bank of Cochise, Sierra Vista, Ariz., have; they work in it or they frequent it as customers.

Bank of Cochise's building was constructed by the rammed-earth process. A mixture of earth, sand and water is poured into a form and it is tamped and compressed with a pneumatic ram. After the desired height is reached by adding and compressing repeated layers of the mixture, the form is removed and a firm

and hard wall resembling adobe remains.

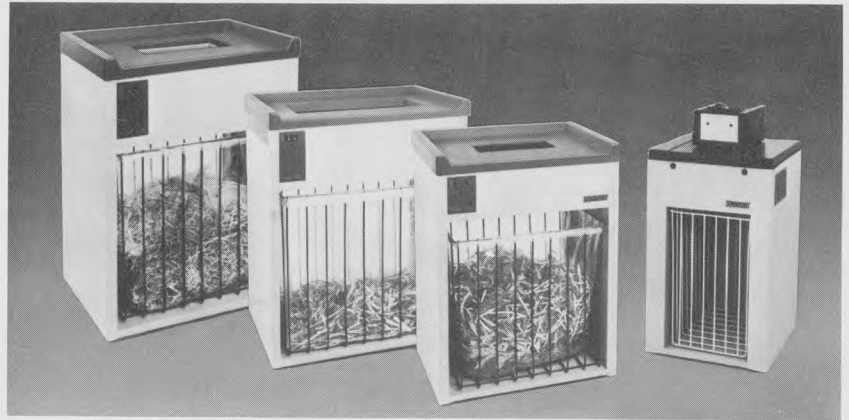
Bank of Cochise is said to be the largest commercial building of rammed-earth construction in the nation.

"We have a building as strong as the Alamo," says William E. "Bill" Page, bank president. "With this construction technique we have saved around 40% over conventional building methods. In addition, the two-foot-thick walls and passive solar components will enable us to realize additional savings in lower energy bills."

The bank's interior features white-washed walls, natural wood-beamed ceilings and hand carved oak doors.

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## Step Toward Bank of Future Taken by Wilmington Trust

It's not a branch bank in a suburban shopping center but a financial center in a high-ticket business complex. And the concept of Wilmington (Del.) Trust Co.'s new Barley Mill Plaza Financial Center is equally upscale, combining the efficiencies of heavy ATM usage with highly targeted marketing strategies.

"Barley Mill Plaza is different," comments Sam Gray, senior vice president/retail banking. "The first thing you notice when you walk in the door is a row of three ATMs. The people, three bank officers, are around the corner."

The bank's strategy is to delegate all routine transactions to the ATMs so bank personnel can be financial counselors, spending more meaningful time with customers who need it.

Mr. Gray says the location of the facility has something to do with the bank's reliance on ATMs. "We re-

## Combo Appliance Available



A combination kitchen appliance for bank employee lounges is available from Norcold, Sidney, O. It includes refrigerator, two-burner range and sink in compact 30-inch cabinet.

searched the customer base in the area and found it to be high income, mobile professionals in nature. These customers expect to use ATMs for normal transactions, use them often and will

depend on our personnel to consult with them on more complicated matters."

He says the bank's not trying to remove the human element, just redirect it. "If we use ATMs for routine transactions, it increases the facility's efficiency and lowers our costs. It also lets us put highly qualified people in a position to spend quality time with our customers."

Wilmington Trust has installed counter-top ATMs made by Docutel/Olivetti Corp. Routine transactions can be made in as little as 15 seconds, according to Mr. Gray.

## Houston Consulting Firm Packages Plans for Banks

A spinoff of a Houston-based architectural firm is offering a service to guide bankers through the process of not only erecting a bank building, but making the bank profitable.

Consultec, Inc., was spun off from McCleary Associates, Inc., early this year. The new firm works with its parent to set up groups or individuals desiring to start out in banking with a complete package of services, including charters, personnel, a building and a marketing plan.

"We're involved in just about every aspect of banking now," says Dale McCleary, president, McCleary Associates. "We can take a bank from zero to opening its doors."

Consultec has had as many as about 50 bank projects in the works, a majority of them new charters. Clients can commission projects as small as a staff-compensation study or as large as a fully staffed, turnkey bank.

Mr. McCleary estimates that a turnkey package could include services such as choosing data processing equipment and a telephone system, setting up a marketing plan, hiring people for a dozen or so positions and training them, suggesting individuals to serve as officers and supervision of the first day of operation. Also available are architectural-related services, such as space planning, interior decoration, furniture selection, design and engineering for a motor bank and a remote-service branch.

## Some Inconvenience OK During Building Project

Bankers shouldn't be overly concerned about customer inconvenience when remodeling their premises, says Ed Merkel, president, Commerce Contracting Corp., St. Louis-based design/construction firm.

Customers feel they're part of what's

## More Bank for the Buck in Louisiana



**A** PRE-ENGINEERED multi-story building system saved Bank of Benton, La., both time and money when it constructed a 13,000 square-foot facility last year.

The structure cost an estimated one-third less than the going rate for traditional building approaches and produced a predictably more energy-efficient structure as well, according to Brown Builders, Inc., Bossier City, La. The firm delivered the bank in a six-month time frame for about \$53 per square foot, using a pre-engineered building supplied by Butler Manufacturing Co., Kansas City.

Bank officials estimated that the structure would have cost between \$70 and \$90 per square foot and taken half again as much time to construct if traditional on-site construction methods had been employed.

Pre-engineered elements of the building included a factory-produced structural system and an integrated standing-seam metal roof system. Exterior sidewalls are stucco over steel-stud construction. Corners are rounded and have vertical accent stripes to reduce the mass of the windowless wall expanses. The facility includes an energy-management system to control heating/cooling systems.



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Student loans have never been a "bad investment," of course. But what with servicing costs and worries about long-term asset mix, how can anyone afford to aggressively pursue new business? Rudolph's situation is a case in point:

*"At the pace we were writing, we were accumulating too high a percentage of assets in student loans. But selling to Sallie Mae before repayment has enabled us to maintain an 'open door policy to all students'. These sales provide funding for additional volume and eliminate the costs of servicing."*

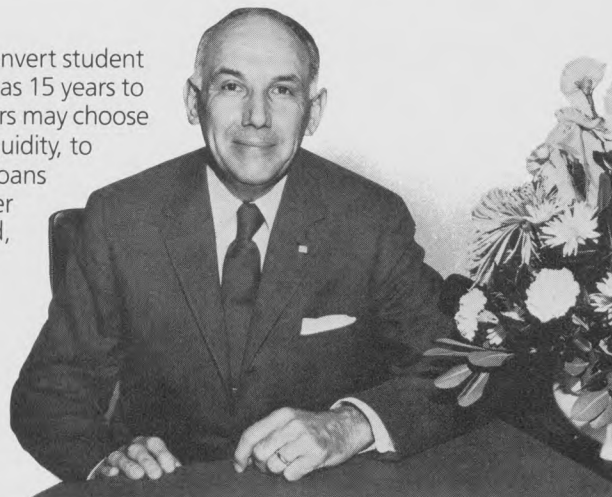
Sallie Mae lets lenders convert student loans with terms as long as 15 years to short-term assets. Lenders may choose to use these funds for liquidity, to originate more student loans or invest them in a higher yielding instrument. And, by selling to Sallie Mae, banks can totally eliminate the need for specialized collections and added staff.

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Thanks, Mr. Rudolph. It's been a pleasure for us at Sallie Mae, too, to help regional bankers maximize profits through our Loan Sale Program. We also offer a Warehousing Advance Program that provides risk-free, reserve-free funding tailored to your needs, and a Seller/Servicing Program which enables the lender to profit by retaining servicing functions.

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going on and their interest and curiosity will actually increase activity at the bank, Mr. Merkel says. Remodeling work recently completed for several banks in the St. Louis area "dramatically increased transactions and activity," he says.

As to the impact of electronic banking on present and future needs for brick-and-mortar headquarters and branches, Mr. Merkel feels that current electronic equipment is still awkward enough to require special areas to house it.

Customer-service facilities will continue to be needed by banks to conduct both personal and business transactions, he says. Service lobbies, however, will take on a different shape and provide different functions.

On the topic of ownership versus leasing, Mr. Merkel says recent IRS changes allowing accelerated-depreciation schedules make real property an attractive investment. However, he adds, if a bank's earnings are down, it probably is more advantageous to have the property owned by a separate interest with a lease-back arrangement than to have straight ownership.

### ATM Remote Facilities Offered by Federal Sign

Federal Sign, a division of Federal Signal Corp., expanded its capabilities earlier this year to meet the increasing demand by financial institutions for ATM remote facilities.

Offering both pre-engineered and custom models, the company, headquartered in Chicago, designs, builds, delivers and installs complete ATM units, including signage and graphics,

### Bank Buys Mansion

Capital National, Oklahoma City, expects to occupy its new home in the historic Cravens Mansion early next year. The bank opened late in 1982 in temporary quarters.

After renovation is complete, the building will offer 10,000 square feet of usable space on a two-acre tract. The bank has an option for another two acres.

The mansion was purchased because bank management felt the structure would blend a traditional bank into a new and rapidly growing area of the city, says William B. Robberson, president.

"We knew that changes in the banking community were on the way and we wanted our permanent building to reflect our adherence to the best of banking tradition," Mr. Robberson says.

says Jack Buckley, director of marketing.

Federal Sign has developed a modular ATM design, Mr. Buckley says, that includes factory-installed heating and air conditioning systems.

Major advantage of the pre-engineered units, according to Mr. Buckley, is the reduced installation time, compared to ATM enclosures constructed on-site. Because of their modular design, the units can be moved to new locations when market areas change.

Mr. Buckley says pre-engineering eliminates cost overruns associated with on-site construction. Federal Sign's units are pre-priced at a firm cost before being manufactured, he says.

Choice of configurations includes outdoor walk-in units, outdoor drive-up and self-contained indoor facilities. All can be custom designed.

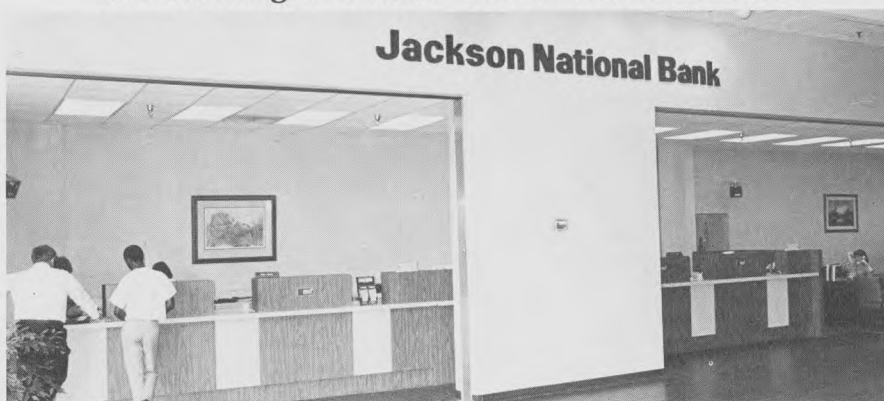
Through its turnkey-ATM program, Federal Sign works directly with customers from the inception of a project, Mr. Buckley says. Federal's people plan the design as well as oversee installation procedures, including those required by local codes.

### Drive-in Services Expanded



Nat'l Bank, South Bend, Ind., has installed Diebold TABS® 911 drive-in ATMs and TABS Automate ATM enclosures to expand its 24-hour service to drive-in facilities. The Automates are installed in the outside lane of the bank's River Park facility and provide bank customers with both 24-hour service and drive-up convenience.

### Remodeling Doubles Size of Bank's Branch



Jackson (Tenn.) Nat'l established a new branch in the Old Hickory Shopping Mall in 1980 when the mall was remodeled and roofed over. The bank installed Mosler counter systems for three tellers, a check desk and space for one officer when the branch was opened, primarily because Mosler could deliver the equipment in less than 60 days, a fact that enabled the branch to open on time. Customer acceptance has been so good that the bank recently doubled the size of its branch. It again installed Mosler counter systems because the firm could match the original counters, again in less than 60 days' time. For additional customer convenience, the branch has a Mosler Magna dual night depository on an outside wall.

### Clothing-Import Quota Affects Apparel Prices

Banks that have put off outfitting customer-contact people in career apparel or re-outfitting their personnel in apparel should know that a national quota system on clothing imports, now in place, will result in a boost in the cost of women's retail apparel as much as 25%.

This is the message G. Carlyle Struven, Inc., Chicago career-apparel manufacturer, is sending to financial institutions this fall.

The effect of this quota system, says Gerald C. Struven, president, is primarily on moderate and low-income consumers — "employees who need every penny of their paychecks to live comfortably and survive in today's economic situation," he says.

"Banks may have never considered career apparel and their employees may never have shown interest in apparel, but, because of this development, it may pay them to evaluate career apparel as a fringe benefit," says Mr. Struven.

The cost of custom-made apparel is not affected by the quota system, he says.



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# Bank's Conversion of Rail Depot Evokes Memories of City's Past

**R**AILROAD depots from the nation's past evoke warm memories in many Americans as Third National, Ashland, Ky., discovered when the doors of its new headquarters — a thoroughly renovated Chesapeake & Ohio passenger railway station — were opened to the public.

The public response was, in the words of David E. Jones, senior vice president/chief operating officer, "unbelievable." During tours of the depot, which Third National ran for some months after the grand opening, visitors occasionally were overcome with emotion. "People would walk in the lobby and cry like babies," Mr. Jones says.

Tearing down the depot and building anew probably would have been cheaper, but it would have been the worst move Third National could have made, Mr. Jones says. At least \$8 million in new deposits has flowed into the \$142-million institution as a result of the restoration, he estimates.

Whenever possible, Third National's architects, Johnson & Romanowitz, Lexington, Ky., attempted to preserve or restore the look the depot had in 1925. Exterior walls were sandblasted and cleaned of grime. Vault walls had to be installed at the rear of the building, but the old bricks and stones were replaced with materials that match the rest of the exterior.

Third National has large data-processing areas requiring year-round air conditioning. Hot water from the air-conditioning system is recycled to heat the building in winter, Mr. Jones says, helping to cut the bank's overall energy bill by about 25%.

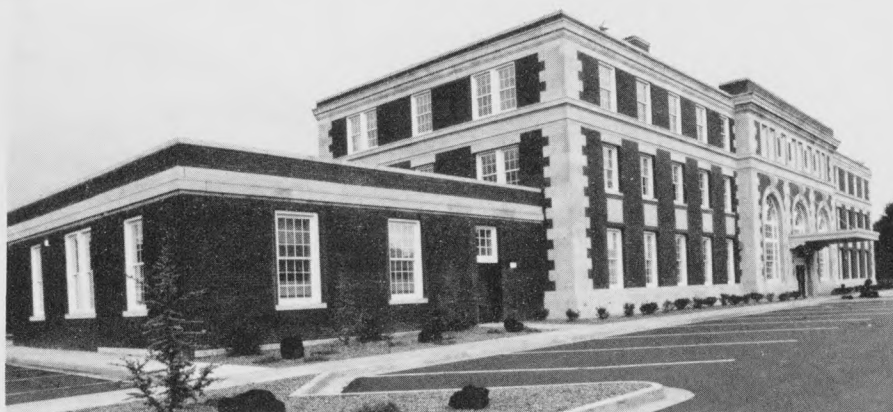
When Third National moved its headquarters six blocks west from its former location in Ashland's central business district, there was some animosity from a few downtown merchants, Mr. Jones concedes. Part of the former headquarters has been converted into one of Third National's five branches and the rest of the building is leased.

But the advantages of the depot location far outweigh those of a downtown location, Mr. Jones says. At the new location, for example, Third National has parking for 150 cars; whereas, customers had to search for parking space previously. Mr. Jones says a customer poll conducted prior to the move showed that the vast majority of Third National's customers came downtown for no other reason than to go to the bank and that finding a parking space during those excursions was a problem.

In any event, Ashland's central business district appears to be moving out toward Third National's new location. Excess land purchased at the time the depot was bought gradually is being sold off. The U. S. Post Office recently purchased some of the land for a 40,000-square-foot regional distribution center, for example, and Mr. Jones says he is confident other organizations will follow.

The restoration took about 18 months and cost about \$3 million, but Mr. Jones says the money was well spent. A 1925 Pullman coach is being refurbished to serve as a conference room for up-scale customers and potential customers. Thousands of dollars are being spent to restore the old Pullman, which is on a siding behind the bank.

Third National's railroad theme is definitely stimulating business growth, Mr. Jones says. In fact, the bank singlehandedly may be giving new meaning to a popular term in the financial community these days — "sales training!" — **John Cleveland**, assistant to the publisher.



Restored railroad depot serves Third Nat'l, Ashland, Ky., as new headquarters. Site includes 35,000 square feet of interior space and abundant parking area. Restoration cost bank about \$3 million.

"This is a railroad town and there are a lot of railroad buffs," Mr. Jones explains. "Of course, the C & O Railroad headquarters were not too far from us so there are a lot of C & O people in this area."

When Mr. Jones and other bank officers initially viewed the run-down depot, however, there was some sentiment for razing it and erecting a new headquarters on the site. Substantial modifications to the depot had been made since it was built in 1925. The last passenger train had pulled out of the depot in the late 1950s, and although the building continued to be used as a switching facility for some years thereafter, it had stood unused for several years prior to the time Third National purchased it and the surrounding 6.7 acres of land for about \$2 million.

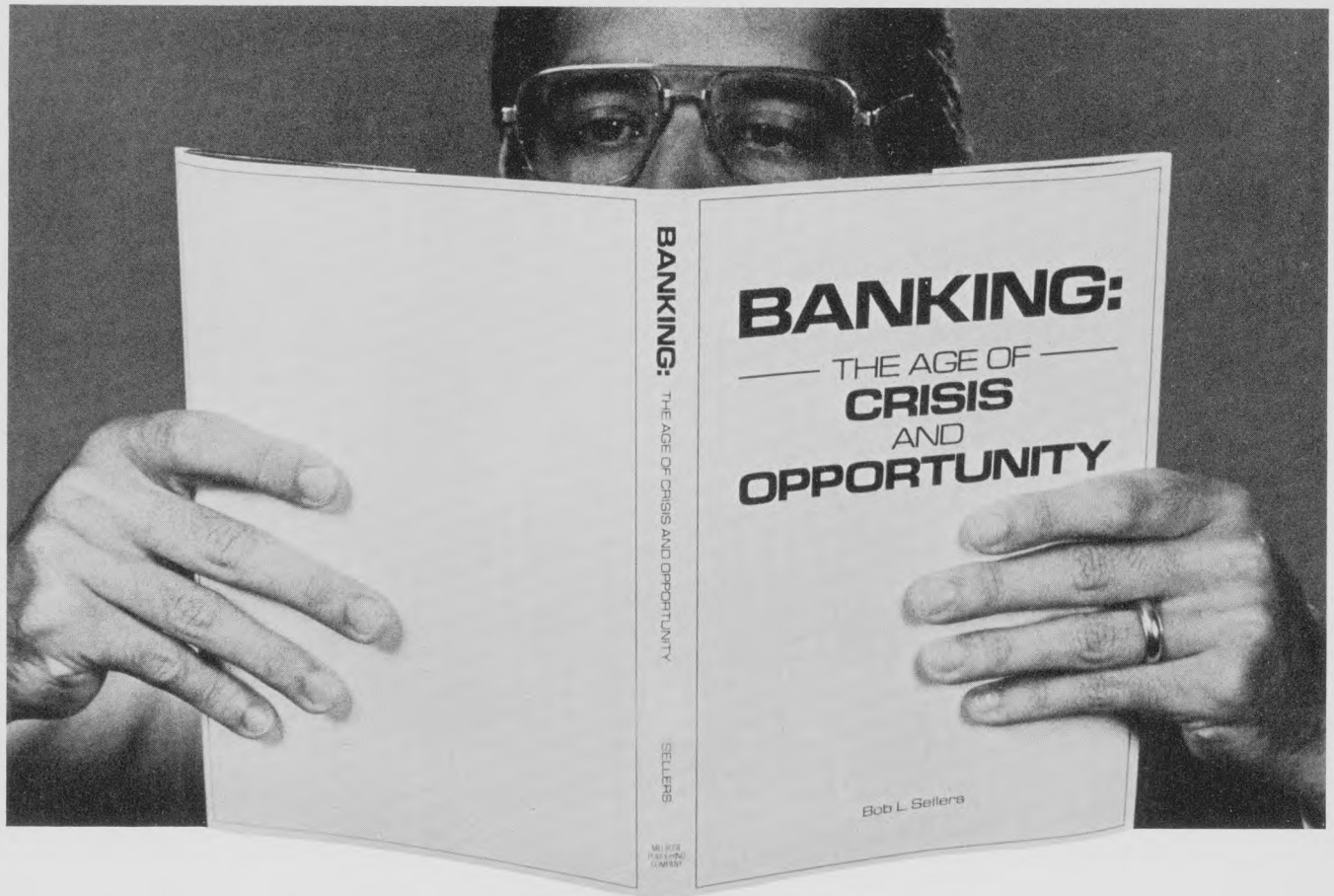
Glass in the windows had to be replaced with modern, energy-efficient panes, but window sizes and the original grids were left unchanged.

Massive changes were required inside, however. "The lobby had been quartered off into office areas so we opened all of that back up and made the old depot lobby our lobby," Mr. Jones says. "We retained the original marble."

Roll-top desks and teller windows help to capture the motif of the 1920s, and although the original chandeliers used in the depot lobby were damaged or lost over the years, new chandeliers, made in Germany, resemble the originals.

One concession to modernity is the bank's heating/air-conditioning system. As a central data processor for banks in Kentucky and West Virginia,





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# Divestiture of Unwanted Branches Is Specialty of Investment-Banking Firm

**B**ANKERS are learning that regulator-ordered branch divestitures as a condition of a merger or acquisition can be complied with profitably.

Realizing "premiums" on divested deposits can combine with banking-premises appreciation to result in pleasurable compliance with regulatory mandates, say the people at Ryan, Beck & Co., West Orange, N. J., investment bankers. One of the firm's specialties is assisting financial institutions with branch divestitures.

When interstate banking arrives, observers feel such required sales will become even more frequent in the resulting wave of restructurings.

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**Reasons for selling one or more branch offices go beyond regulatory bounds and can make sense from a sound business standpoint.**

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Most banking organizations lack the time and manpower needed to conduct their own branch sales, and they seek outside help. Having an intermediary conduct these specialized transactions has advantages, according to Fenwick H. Garvey, Ryan, Beck executive vice president, especially since such transactions can be disruptive to an institution's day-to-day routine if done internally.

Difficulties associated with negotiating with correspondents, competitors and friends alike can compromise a seller's ability to achieve maximum results, Mr. Garvey says. Saying "no" to a friendly competitor that may have trouble obtaining regulatory approvals is a difficult problem. The decision not to allow an overly aggressive competitor to purchase an office also must be handled with care.

How does a bank proceed when it has to sell one or more branches? Some of the things that must be done:

- Identify potential purchasers.
- Determine the value of the branch as a package.
- Choose the method for conducting the sale that will optimize results.

Making a determination to either conduct a competitive-bidding process or deal privately can be difficult. The answers to questions such as "What are the tax considerations?" "What be-

comes of the branch's employees?" and "What are the unknown problems that might arise?" aren't readily apparent to the uninitiated, Mr. Garvey states.

Reasons for selling one or more branch offices go beyond regulatory bounds and can make sense from a sound business standpoint. To the seller, the two biggest advantages are the opportunity to realize capital appreciation on fixed assets and receive a "premium" on transferring deposits. Values different buyers impute to an assembled deposit base vary, but in most cases can represent significant dollars. Premiums paid on deposits have reached as high as 20%, Mr. Garvey says.

"What other type transaction can generate profits, improve capital ratios and reduce operating expenses?" he asks.

Ryan, Beck recently concluded the sale of 34 offices of Virginia National, headquartered in Norfolk, and First & Merchants National, headquartered in Richmond, when the parent HCs of the two banks merged to form the state's largest HC. "That sale was a classic example of the benefits of conducting a competitive auction," Mr. Garvey says. "We used our proved marketing technique to the satisfaction of sellers and buyers.

"It's not the same as selling real estate," he notes. "We've seen several transactions that appeared as though that's what was done. Premiums generated were a far cry from what our normal experience has been. If you're going to sell a branch or branches, do it in a professional way because you have only one chance to get it right." Mr. Garvey knows of what he speaks: He pioneered the branch-sale concept in New Jersey and has conducted more than 150 such offerings on a competitive-bid or direct-negotiated basis.

**Why Sell?** "Today's economic environment makes the evaluation of each branch's performance more critical than in the past," says Richard Wines, president of Ryan, Beck's Philadelphia subsidiary. "Managing bottom-line results can lead to a decision to sell one or more offices. A branch may not have obtained its original deposit goals or it may be too distant from the rest of the branch system to have adequate name recognition. In the lat-

ter case, it may be an administrative burden or its media coverage may become too costly. The decision to sell in those cases makes good sense."

**Why Buy?** If a branch isn't profitable to one bank, would another institution be interested in it? "Definitely," says Robert J. Schoen, Ryan, Beck senior vice president. "Would-be buyers are in a position to fill in their market coverage." He sees several reasons why the buyer is in a better position to make a branch profitable. "The buyer usually purchases a branch with the right 'fit' in his market or uses the opportunity to expand into new market areas. In addition, the buyer

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**If you're going to sell a branch or branches, do it in a professional way because you have only one chance to get it right.**

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assumes deposits and isn't saddled with long-term fixed-rate assets. This is the most unusual aspect of branch sales, the buyer receives *cash!*"

The going rate for branches today, at least on a premium-on-deposits basis, often is higher than the going rate for the outright purchase of a bank. "The reason," Mr. Schoen says, "is that the buyer is purchasing the right to do business in a given location along with the deposits. On the asset side, the buyer has maximum investment flexibility with the cash received."

Ryan, Beck's approach to conducting a branch sale represents the "state of the art," according to Mr. Schoen. The firm performs the work for its clients on a fee basis. This includes identifying and contacting potential buyers and researching cost and business patterns of the branch or branches being sold. The firm then prepares a detailed offering-document agreement and conducts the actual sale.

Mr. Garvey provides additional perspective, saying, "We determine who the potential buyers are, using four basic criteria:

- Can the buyer afford it in terms of capital?
  - Are there antitrust considerations?
  - Is the branch logistically feasible
- (Continued on page 28)

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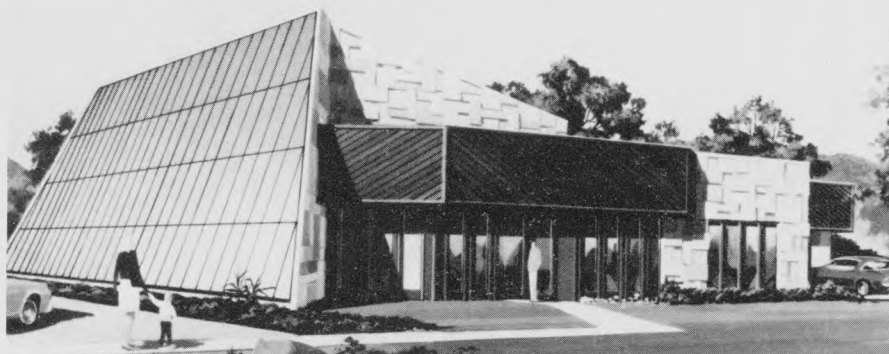
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## Solar Installation Cuts Heating Costs



First Nat'l, Bangor, Wis., recently installed a Suncell Air-to-Air solar-heating system that is expected to provide almost 60% of the building's annual energy requirements for heating, which amounts to an annual savings of \$2,000. The system consists of 90 collectors totaling 1,674 square feet and utilizes a complete system concept that includes collectors, an air-moving unit and automatic controls. System circulates air rather than liquid through collectors, which eliminates problems such as freezing, leakage, rust and corrosion. Research Products Corp., Madison, Wis., is manufacturer.

to the purchaser?

• What has the purchaser bid in past bank mergers, acquisitions and branch sales?

There usually is a good indication as to what that branch is going to command in terms of price once the interested bidders have been identified.

**Other Considerations.** "The pricing of the branch," Mr. Garvey says, "is greatly contingent on tax considerations and the potential buyers of the branch. Other considerations include how close the branch is to the nearest office of the seller and what are the contractual provisions of the sale. Are you just selling a list of depositors and fixed assets, or are you actually selling deposits with an anti-solicitation clause saying that the seller will not solicit those accounts expected to transfer?"

"Transferability of deposits and market attractiveness are the major criteria that ultimately establish whether a branch is going to command a high or a low premium," he says.

**Fixed Assets and Goodwill.** "It's important to stipulate the sale value of fixed assets," Mr. Garvey says. "A bank can capitalize them, of course, but if it doesn't stipulate values at the outset, their real worth becomes questionable. The bank might wind up arguing about it later with the Internal Revenue Service. We take appraisals based on the fact that the branch is a going concern, which allows the bidder to bid a true fair-market value, as opposed to a replacement-cost value of fixed assets."

"How much of the purchase price is attributed to goodwill and how much to fixed assets and other tax-deductible and potentially capitalized items become important issues," he adds.

"There are differences between tax considerations and regulatory considerations of these transactions insofar as intangible assets are concerned. Intangibles such as anti-competitive agreements, employees in place and depositor lists are tax deductible as long as they're specified in the sales agreement. However, in the past, regulatory agencies have considered these intangibles to be goodwill, and therefore required they be written off against the buying bank's capital. This position seems to be changing in Washington, and some goodwill, such as the value of core deposits, now may be capitalized."

**People Are Important.** The importance of employees to the performance and personality of a branch — especially in a residential retail operation — is stressed by Mr. Wines. He says that, most often the buyer is guaranteed, in the sales agreement, the right to solicit current employees. "Typically," he says, "these employees will have the option — if they are near vesting in the pension plan — of staying with the seller. But in most cases, they transfer over."

"One of the most difficult personnel considerations is pension benefits and what the bank will stipulate in the procedure of sale. This often doesn't get as much attention as it deserves," Mr. Wines says.

**The Offering Memorandum.** First, a feasibility study of the seller's expected pro-forma results is prepared, utilizing various sales structures and methods, including an analysis of the resulting estimated premium, capital adequacy, income and expense, liquidity and asset/liability mix.

After all the homework is done, Ryan, Beck puts together an offering

document — really a catalog of the branches to be sold. Included are a description of the branches, with color photos; a listing of the equipment and furnishings; a description of the market area, with maps and locations of existing competition; details of the trends and types of deposits; detailed revenue and expense data; a description of employees; information on internal systems and procedures, including the scope of computerization; and the amount of business influenced by the bank's directors.

By the time this document is completed, the firm has identified potential buyers and to whom the document will be sent. Buyers tour the branch or branches they are interested in much the same way as a potential home buyer looks at a house.

**The Sale.** "How the sale is organized is as important as how it's structured," Mr. Schoen says. "The sales effort should be directed at those institutions that have the most logical interest and are qualified to purchase the office."

"It takes considerable management time to analyze the offering memorandum. It's necessary to go to the bank's executive committee, the board and everyone else to get the authorization to do it. Why go through all those headaches and tie up your senior-management time if there is little chance of success?"

"We generally follow a sealed-bidding procedure," Mr. Schoen says, "where potential buyers deliver bids by a specified time. A CPA firm opens and records all bids while we make sure they conform to the sales proposal — we don't want caveats attached that might change the value of the bid. After the analysis is complete, we award the winning bid and notify all the parties."

In some transactions, especially larger ones, Ryan, Beck has the seller prepare a contract and includes it in the bid brochure. Otherwise, contract talks begin after a bid is awarded.

Mr. Garvey has experienced a few rough sales. Once, there were no bidders for a particular branch. He says that was an unusual case and a buyer quickly was found for the office. He says his easiest sale was one that involved only two phone calls to complete.

Ryan, Beck is in the process of conducting branch-sale seminars nationwide and will provide information to interested institutions. ● ●



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MCB 10-83

# Redesigned Record-Center Operation Prompted by Floodwater Threat

By Jim Mayo, Vice President, and John White, Records Officer,  
Deposit Guaranty National Bank, Jackson, Miss.

**A** FLOOD that threatened the records of Deposit Guaranty National Bank (DGNB) in 1979 prompted the bank to initiate its current records-management program.

Prior to that time, the bank kept its old but needed records in two off-site warehouses. When flood waters rose to six feet in one of the buildings, the bank was forced to find another site for records storage, even though records had not been water damaged.

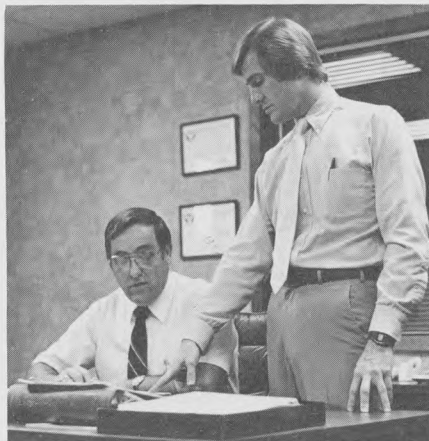
Construction of a new building to house record-keeping, purchasing and surplus equipment offices was already in the planning stage. The flood served as a catalyst to get the project off the ground.

It was decided to design a centralized record center and a more efficient record-keeping system at the same time. A second objective was to eliminate as many unnecessary records as possible.

Several problems existed with the old warehouses and record-keeping system. Neither building had heat, air conditioning or dehumidifying equipment, so records were not adequately preserved. Boxes were grouped by department and content descriptions were written on the boxes. Every department had keys to the warehouses, so security was limited.

We spent about six months visiting various banks around the area, studying their record-center operations and record-keeping systems. All banks visited organized their records by sections or departments as we had done. But a departmental organization requires more storage space and more time to retrieve records as well as minimizing security. DGNB wanted to use a random filing system that would allow the bank to use space more efficiently, maintain security of information and retrieve information quickly.

After several phone calls, we found the company that could provide the technical assistance necessary to design and install the system we wanted. That company is Southern Vital Record Center, an information-management/protection company with 20 years' experience in designing record-



**Authors Mayo (l.) and White review Deposit Guaranty Nat'l departmental-retention schedule to determine access restrictions before retrieving records from bank's record center.**

keeping systems for financial institutions. Southern Vital, based in Flora, Miss., wrote all the procedure manuals, designed camera-ready forms, advised us on the best methods of implementing an improved record-keeping system, designed and installed shelving for the new center, conducted training sessions for our personnel and even helped inventory records.

The first order of business was to separate all records in existing warehouses by department and stack them according to container size. Then we inventoried each department's records, using descriptions on the containers, since it was impractical to study the contents of each box. Each container was coded by the initials of the responsible department and consecutive numbers. When the inventory was completed, there were approximately 4,000 containers stacked four or five high on pallets, grouped by container size and department.

Inventory lists were circulated to each department and indications were made about records that could be destroyed. Retention schedules also were developed for each department.

This process enabled DGNB to streamline its record-keeping operation and materials significantly and

make more efficient use of available space. A silver-recovery company was asked to destroy an estimated 5,000 rolls of old microfilm and purchase the silver.

It took about six months to eliminate the unnecessary records and label and shelve remaining containers. Part of this time was spent repairing damaged containers and records, particularly those of the trust department, which date back to the bank's organization in 1925.

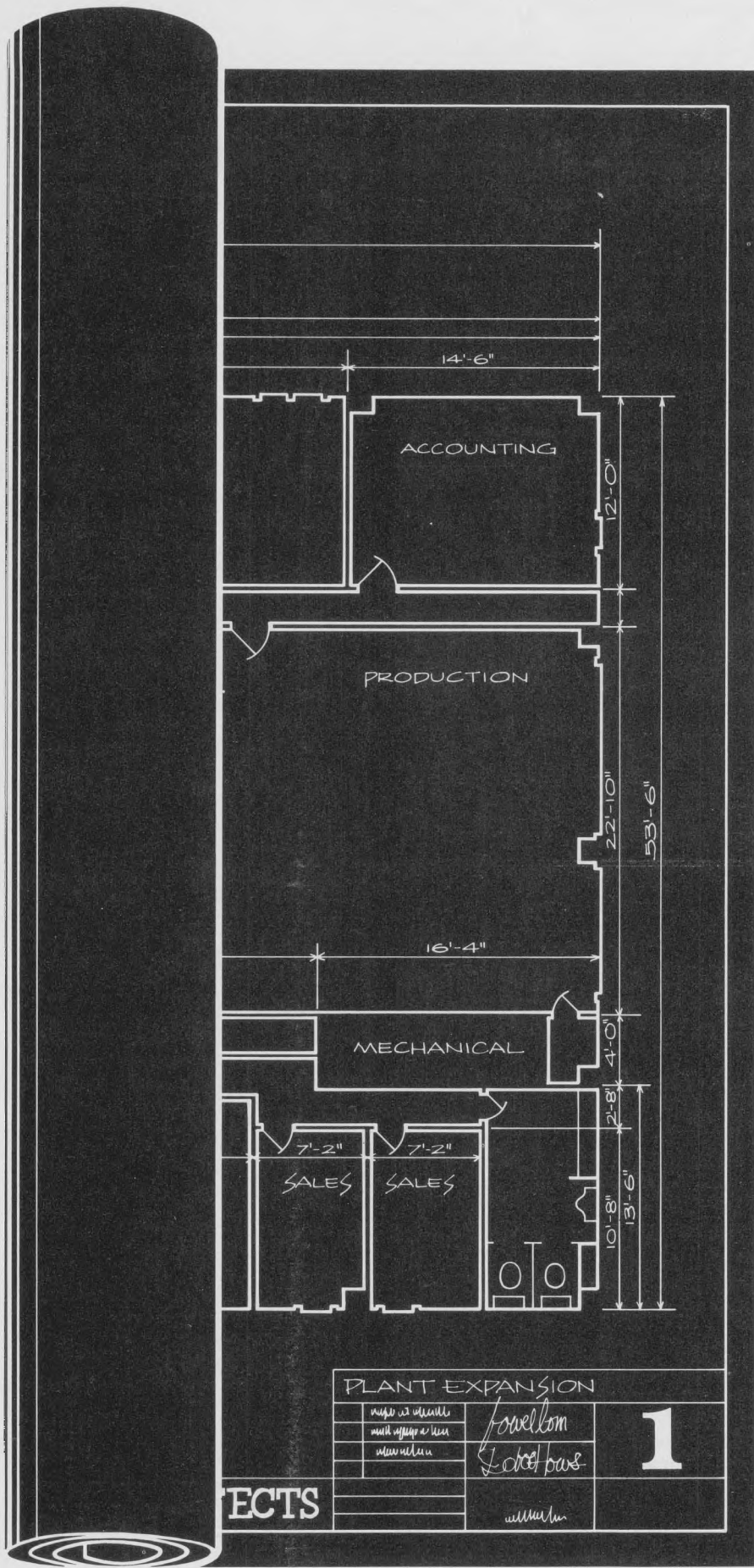
By October, 1980, all equipment was installed and every record container was inventoried, labeled, indexed and shelved. Air conditioning and dehumidifying equipment were installed in areas containing sensitive records and alarm systems were added to detect intrusion, fire and other disturbances as well as to alert the proper officials.

DGNB's record center includes approximately 30,000 cubic feet of storage space for hard-copy records. Paper records are segregated by container size — check-size containers; one-cubic-foot containers for letter-size, legal-size and computer-printout records; and over-sized containers for odd-size records such as ledgers. A separate room of about 4,000 cubic feet is used for storage of microfilm, microfiche and computer tapes. The latter are kept in a fire-resistant safe and rotated daily.

Each container is labeled by department name, contents description, alpha-numeric range, record dates, location/container number and destruction date. Labels are placed on the side of the container facing inward so that, for security purposes, only the location and container numbers are visible from the exterior. Containers are stacked two high on special shelving that allows storage of four containers per location number. When a box is retrieved, it can be replaced without having to remove and replace other containers.

To retrieve information, a department completes a record-retrieval request form and sends it to the record center. The appropriate record con-

*(Continued on page 40)*



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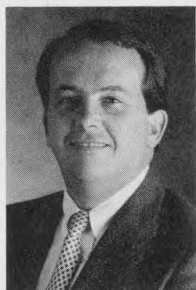
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# NEWS

## About Banks & Bankers

### ALABAMA

RYAN



Gary D. Ryan has been named regional executive officer in charge of the northwestern region for Central Bank of the South, Birmingham. In this post, he manages administrative functions for the bank's offices in Florence, Muscle Shoals, Tuscumbia, Sheffield and Haleyville. Mr. Ryan joined Central Bank in 1976 as vice president/commercial loans. Most recently, he was vice president/manager, national and regional accounts.

First Alabama Bank, Montgomery, has announced these promotions: to assistant corporate trust officer, Jo Ann Mayfield; to assistant vice president, Timothy S. Williams; to assistant vice president/branch managers, William R. Scarbrough and Marguerite M. Causey, and to assistant cashier, Louise Sherman.

Paul Maddox has been named chairman of the advisory board, Farmers & Merchants Bank, Centre. He is retired from Goodyear Tire & Rubber Co. after 34 years' continuous service.

### ARKANSAS

First Arkansas Bankstock Corp. (FABCO), Little Rock, has announced that it is the first financial institution in Arkansas to have its stock listed and traded on the American Stock Exchange (AMEX). Edward M. Penick, FABCO's chairman/president/CEO, was on the trading floor in New York City for the official listing ceremony and to buy the first 100 shares of FABCO stock on AMEX. The HC's ticker symbol is "FAR." In other action, First

National, Camden, has affiliated with FABCO.

Robert S. Jackson has been named vice president/manager, correspondent banking department, Union National, Little Rock. Robert Knapp continues as manager of the corporate division, which includes the correspondent/national/international departments. Mr. Jackson joined the bank in 1981 as assistant vice president/correspondent banking officer, going there from Security Bank, Paragould.

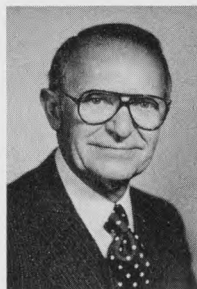


JACKSON



HAMPSON

Leonard L. Hampson has been named vice president/manager, correspondent bank department, Worthen Bank, Little Rock. He went to the bank as a vice president in 1977. Before that, he was a senior vice president at Little Rock's First National.



VINSON

B. Finley Vinson has been elected chairman, First Commercial Corp., Little Rock, succeeding Edwin C. Kane, who had resigned. Mr. Vinson, past president, Arkansas Bankers Association, had been vice chairman of First National, Little Rock, the past four years after retiring as chairman in 1979. First Commercial Corp. was founded July 31 on completion of the merger of Commercial National and

First National. The resulting bank, First Commercial Bank, is the state's largest, with more than \$1 billion in resources.

The Fed has approved the application of Clarendon Holding Co. to become a bank HC through acquisition of Merchants & Planters Bank, Clarendon. In other action, the Fed approved the application of Ashley Bancstock Co., Crossett, to become a bank HC through acquisition of the successor by merger to First National, Crossett. In addition, approval was given the application of Citizens Financial Service Corp., Van Buren, to become a bank HC through acquisition of Citizens Bank, Van Buren.

Independence Federal Bank, FSB, Batesville, is forming a holding company, which will be called Independence Corp. Under the latter's ownership, the bank will continue to operate with its existing board and management.

### ILLINOIS

#### New Collection Process

SPRINGFIELD — Illinois has started a new process to accelerate channeling of state utility-tax collections into interest-bearing state accounts. In cooperation with the Illinois Revenue Department, State Treasurer James H. Donnewald has contracted with American National, Chicago, to operate a lock-box collection/processing facility for the state. The bank was the successful low bidder from nine major Chicago banking institutions bidding on this process.

Under a 1982 law accelerating payments of utility taxes by major public utilities of Illinois, four-times-a-month payments are to be made to this facility. The Revenue Department indicates there are 59 Illinois public utilities that fall under the accelerated-payment requirement laid down in Public Act 82-1043.

About \$600 million a year in utility taxes should be collected under this new procedure, representing perhaps 90%-95% of such taxes collected annually.



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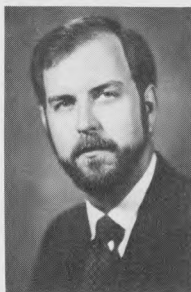
write to Union National Bank Personnel Consulting Agency, P.O. Box 1541, Little Rock, Arkansas 72203.

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DAMMRICH



SEYMOUR

## Dammrich and Seymour Get New IBA Posts

CHICAGO — Thomas J. Dammrich has been named senior vice president and Jack Seymour vice president of the Illinois Bankers Association.

Mr. Dammrich's new title carries with it overall managerial responsibility for all IBA non-legislative functions and programs. In this capacity, he functions as principal assistant to Executive Vice President William J. Hocster. He joined the IBA as education director in 1978 and was promoted to vice president in 1980. Before going to the association, Mr. Dammrich was assistant director of housing/administrative assistant to the dean of the Graduate School of Business, DePaul University, Chicago.

Mr. Seymour has assumed responsibility for researching and developing broad policy issues in all areas in which the IBA is involved. He also monitors the IBA's legal affairs, particularly as they relate to involvement with external legal consultants.

Before joining the IBA in January, 1982, Mr. Seymour was director, Department of Financial Institutions, in Illinois. At one time, he was chief of staff for the Illinois Electronic Funds Transfer Systems Study Commission and wrote the commission's report that was the basis of Illinois' EFTS law.



ALBERS

**C. Hugh Albers** has been named vice president/correspondent banking division, Drovers Bank, Chicago. He formerly was assistant vice president, First National, Chicago.

**Barbara B. McNear** has been named head of the communications department, First National, Chicago. She had been vice president of advertising/public and consumer affairs, Fireman's Fund Insurance Companies, Navato, Calif., since 1980. From 1974-80, Ms. McNear was vice president/public relations, Harris Trust, Chicago.

First National, Columbia, has announced a proposed merger with Magna Group, Inc., Belleville (formerly First Bancorp of Belleville, Inc.). Magna Group is comprised of Bank of Belleville, Dupo State Savings Bank, Fairview Heights Community Bank, First National, Belleville, and Illinois State Trust, Belleville.

## New Facility Opened

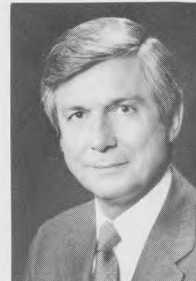


**C. Andrew Lawrence, pres., Bank of Northfield, cuts the ribbon to open the bank's new office in the Willow Hill Executive Center. Assisting Mr. Lawrence is Karen Holway, the new facility's mgr.**

**Bette B. Perna** has joined Bank & Trust Co., Arlington Heights, as senior vice president/cashier, community banking department. She formerly was with American National, Chicago, as vice president, commercial banking department. Cynthia B. Hagedorn has been appointed assistant vice president/personnel director at the Arlington Heights bank. Vice President Robert T. Lincoln has been named department head in the commercial-banking area.

**Elm Bancshares, Inc.,** Elmhurst, and Marine Corp., Milwaukee, have signed a definitive agreement whereby Marine Corp. will provide additional capital funds to Elm Bancshares for future expansion and general corporate needs through purchase of stock and subordinated debentures. The agreement calls for a total investment of approximately \$4.9 million, which includes purchase of 4.9% of Elm Bancshares common stock and \$4 million in 10-year subordinated debentures with mandatory stock-purchase contracts. In addition, Marine Corp.

and Elm Bancshares have entered into a license agreement. Elm Bancshares is a \$300-million bank HC that owns Elmhurst National. The latter has promoted George T. Necas to vice president, trust/investment division, and Charles C. Kaiser to assistant vice president, corporate banking division. Mr. Necas went to the bank in 1981 and Mr. Kaiser in 1982.



TAYLOR



BOTTUM

**David G. Taylor** has been named a vice chairman, Continental Illinois National, Chicago, and Edward S. Bottum was elected a director. Mr. Taylor, who was an executive vice president, heads the bond/treasury services department and is treasurer of Continental Illinois Corp. He now reports to Roger E. Anderson, chairman/CEO. Mr. Bottum, also an executive vice president and formerly head of trust/investment services, has joined general banking services. He will assume responsibility for that area at the end of the year on the retirement of Edward M. Cummings, executive vice president, who currently heads general banking services. Succeeding Mr. Bottum as head of trust/investment services is Roger H. Sherman, senior vice president. Most recently, he headed the western states group, U. S. banking department. In other action, Gail M. Melick, executive vice president of the HC and bank, has taken a leave of absence for medical reasons and will retire at year-end. He joined Continental in 1952 and spent his entire career there in the operations area. Mr. Melick's responsibilities have been assigned to other senior-management members.

**Continental Illinois Corp.,** Chicago, has announced a proposed offering of 1.5 million shares of adjustable-rate preferred stock with an aggregate stated value of \$75 million, or \$50 a share. The preferred shares are part of a three-million-share shelf registration filed with the Securities and Exchange Commission that became effective August 24.

**Donald L. Raiff** has been promoted to senior vice president/treasury department, Northern Trust, Chicago, which



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he joined in 1978. Since last January, he has headed that department's staff and is responsible for tactical asset/liability management. In 1981, Mr. Raiff was named both vice president/senior economist and head of the economic research department. Northern Trust also has elected these vice presidents: Edward A. Caponigro and Glenn W. Proud Jr., cash management division; Robert W. Wiarda, international department, Latin America division, and Barry L. Kaufman, foreign exchange division, treasury department.

## INDIANA

**First State**, Decatur, observed its 100th anniversary recently with a week-long celebration, which was kicked off with a ribbon-cutting ceremony officiated at by Lieutenant Governor John Mutz. Also attending were city, county and state officials, bank directors and senior officers. A brunch followed. During the anniversary week, employees at all offices dressed in 1880s styles. Refreshments were served, and a banner placed across North Second Street informed passersby of the centennial. The main-office lobby displayed old pictures and other bank memorabilia. Giveaway items commemorating the anniversary date included clipboards, large \$100 bills, penny folders and balloons. Drawings for 100 Eisenhower silver dollars were held each Friday for six weeks, capped by the giving away of three cash prizes of \$300, \$200 and \$100. A special supplement to the Decatur *Daily Democrat* appeared one Friday and included a history of the bank and many old and new photos.



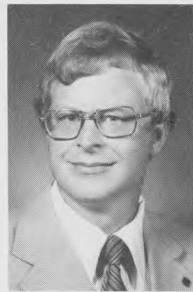
Ribbon of dollar bills is cut at First State of Decatur's 100th anniversary by Indiana Lt. Gov. John Mutz. Pictured, l. to r., are: Decatur Mayor Harold Miller; First State director Jim Price; First State Pres. Ronald Slater; Lt. Gov. Mutz; First State Ch. E. E. Rydell; Indiana State Rep. Barb Engle and Adams County Circuit Court Judge Robert S. Anderson.

**Midwest Commerce Banking Co.**, Elkhart, has elected four new vice presidents: Elizabeth A. Davis, credit card department; James W. Stine, also controller; Glorya M. Hornell, also

personnel director, and W. Craig Lester, commercial loans.

**Lincoln National**, Fort Wayne, has added Walley Agriculture Services Department, a farm-management group, to its trust financial services division. In addition, Dean E. Lichtensteiger, William J. Marshall and Harold W. Wollenhaupt were promoted to agriculture service officers. Mr. Lichtensteiger is manager of the department. Messrs. Marshall and Wollenhaupt have been with the Walley group.

## KANSAS



SNYDER

**Gerald D. Snyder** has been appointed manager/consumer loan department, Commercial National, Kansas City, which he joined July 28. He formerly was branch manager of the Overland Park office of Security Pacific Finance Corp.

### KCK Bank Is Closed; New One Replaces It

**KANSAS CITY** — The new Douglass Bank opened September 6. A subsidiary of Douglass Bancorp, Inc., a newly formed HC, the new bank assumed deposit liabilities of Douglass State, which was closed September 3 by State Bank Commissioner Eugene E. Hegarty. The FDIC was named receiver.

Will Taliaferro is chairman/president/CEO of the new bank, which has 30 minority investors from the metropolitan area.

Commissioner Hegarty attributed the closed bank's failure to serious loan losses.

**Hutchinson National** has been sold to Hutchinson Financial Corp., an HC operated by W. A. Michaelis Jr. and his son, M. D. Michaelis, Wichita. W. A. Michaelis Jr. is a Kansas businessman with investments in both oil and gas production and banking. He is owner/president, Graham-Michaelis Corp. He and his son own 11 banks in south central and southeast Kansas, with four of the banks in Wichita.

Michael Michaelis is president, Wichita State, and along with his father, is a director of all the banks they own.

### Two More Scholarships

**GREAT BEND** — The J. A. Mermis Jr. scholarships at Barton County Community College now total six, with the addition of two recipients. The six share \$3,600 for the 1983-84 school year.

Funds for the Mermis scholarships each year come from earnings on a \$30,000 gift to the BCCC Foundation by the board of Security State. The gift honors Mr. Mermis for his role as chairman of BCCC trustees during establishment of the college and for his record as vice chairman/CEO of Security State.

## KENTUCKY

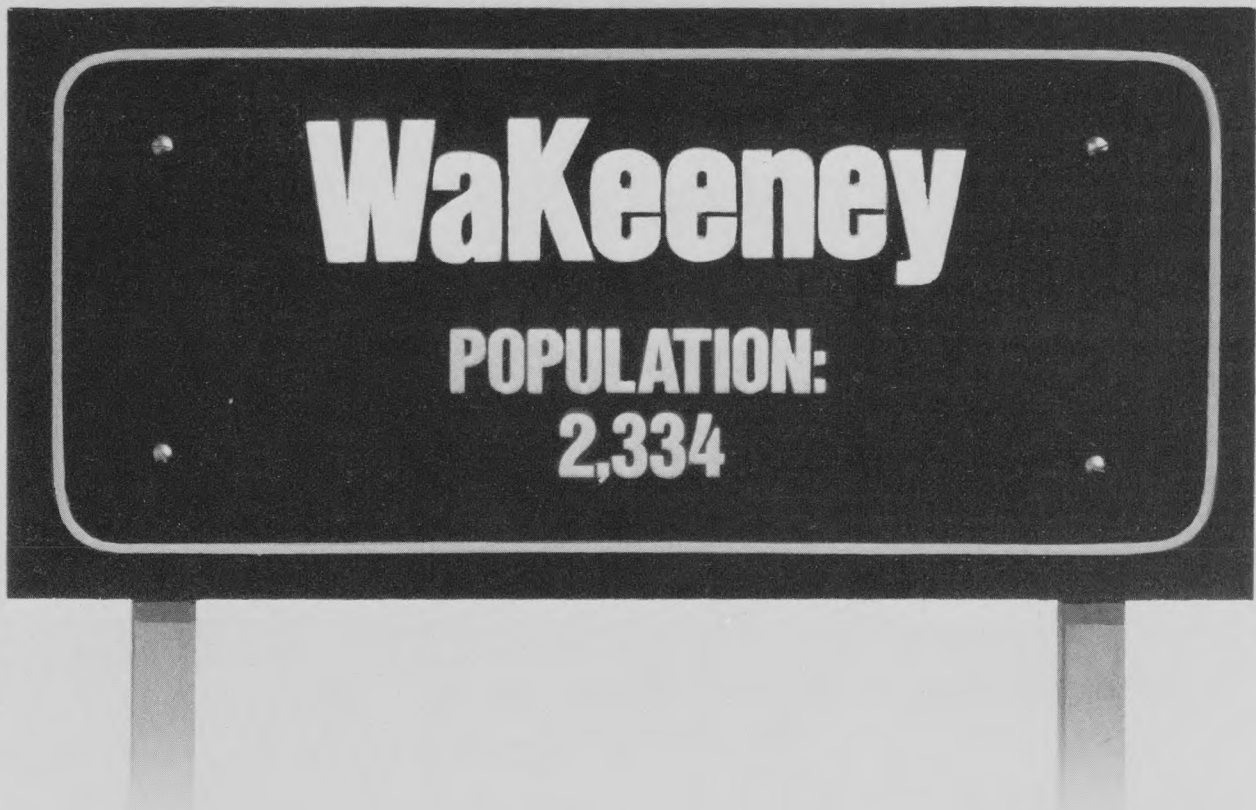


SMITH

**J. Max Smith** has joined Louisville's Citizens Fidelity as vice president/manager, correspondent banking division. He formerly was an executive vice president, Ohio Valley National, Henderson. Before that, he was with National Bank of Commerce, Memphis, 11 years. Citizens Fidelity also named C. Kenneth Savage assistant vice president, financial services division. He was a senior representative for Tymshare in Needham, Mass. In other action, Sue N. Mize was elected assistant vice president/manager, training/development department. She was with Louisville Bank for Cooperatives. Citizens Fidelity also promoted Edwin K. Binford Jr. from assistant vice president to vice president; David M. Goatley from assistant cashier/manager, Galleria Office, to assistant vice president/manager; Mary Ann Amshoff from assistant cashier to assistant vice president and Amy Pardee, manager, Village Office, to assistant cashier/manager.

**Michael L. Metheny**, formerly of Jackson, Mich., has been named vice president, First National, Louisville, which also named J. Page Walker a vice president. Mr. Metheny is in the coal division and Mr. Walker in corpo-

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rate banking. Morel B. "Dede" Jones was named trust officer, First Kentucky Trust, affiliate of First National.

The Fed has approved the application of Citizens Bancorp of Hickman, Inc., to become a bank HC through acquisition of the successor by merger to Citizens Bank, Hickman.

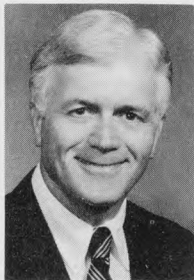
## LOUISIANA

James R. Moffett has been elected a director of Hibernia National and Hibernia Corp., New Orleans. Mr. Moffett is vice chairman, Freeport-McMoRan, Inc., New York City, and president/CEO, McMoran Oil & Gas Co., Metairie.

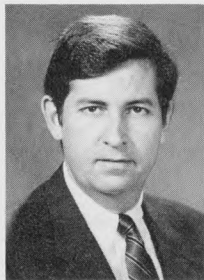
Gillis Windham has rejoined First Guaranty Bank, Hammond, as vice president, commercial lending department, Main Office. He formerly was manager, Springfield Branch, First National, Denham Springs. Before holding that post, Mr. Windham was a loan officer at First Guaranty five years. William Davis McCormick has succeeded Helen Ott as manager of First Guaranty Bank of Hammond's Berryland Office in Ponchatoula. Mr. McCormick had been a loan officer at that office since 1981. Mrs. Ott retired after 26 years with First Guaranty.

## MISSISSIPPI

E. B. Robinson Jr. will succeed John P. Maloney as chairman/CEO, Deposit Guaranty Corp. and Deposit Guaranty Bank, Jackson, January 1 following the December 31st retirement of John P. Maloney from those posts. Mr. Robinson has been president of the HC and bank since January, 1982. Howard L. McMillan Jr. will become president/chief operating officer of the HC, and William L. Watson III will take the same posts at the bank, both appointments effective January 1. Mr. McMillan and Mr. Watson have been serving as executive vice presidents. Mr. Maloney joined the bank in 1969;



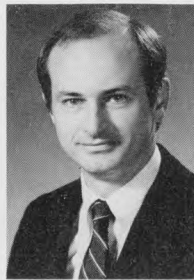
McMILLAN



WATSON



MALONEY

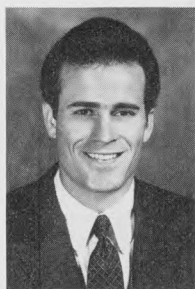


ROBINSON

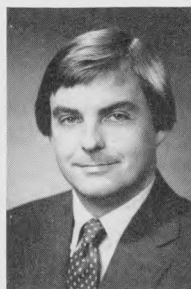
Mr. Robinson in 1967; Mr. McMillan in 1960 and Mr. Watson in 1968. Warren A. Hood will remain chairman of the executive committee of the HC and bank. He is vice president, Masonite Corp.

## MISSOURI

Thomas E. O'Meara, vice president, Centerre Bank, St. Louis, has been promoted to manager, correspondent division. He succeeds William J. Barnett Jr., who now is president/CEO, Centerre Bank, Chesterfield. Mr. O'Meara, with the bank since 1973, became a vice president in 1982. He has worked in electronic data processing, credit and commercial lending. At Centerre Bank, Chesterfield, Mr. Barnett succeeds Terry E. Alexander, who resigned to manage personal business interests.



HARDIN



O'MEARA

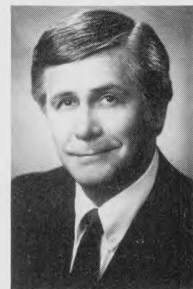
J. Robert Hardin has been promoted to vice president, correspondent division, United Missouri Bank, Kansas City. With the bank since 1981, he is responsible for developing and maintaining accounts in northern Missouri. In other action, the bank promoted: Robert B. Chamberlain to vice president, bond department; John G. Phillips Jr. to vice president/municipal credit analyst, bond department; Nancy Jane Byers to vice president/pension services officer, trust/employee benefits; Thomas D. Cochran to vice president/manager, bank brokerage; Dan Cunningham to assistant vice president, bankcard division, and Robert E. Mickey Jr. and Reginald J. Smith to assistant cashiers, Mr. Mick-

ey in commercial loans and Mr. Smith in the real estate division.

Margie Hurley, vice president/marketing director, United Missouri Bancshares, Kansas City, has been named "ad woman of the year" by the Kansas City Advertising Club. Before going to United Missouri in 1979, Mrs. Hurley had worked in Bank of the Southwest, Houston, and Union First National, Washington, D. C.



HURLEY



LONG

Mercantile Trust, St. Louis, has elected Dennis P. Long to its board. He is president, Anheuser-Busch, Inc., St. Louis, and vice president/group executive, Anheuser-Busch Companies. In other action, the bank elected LaRissa M. Stevens and John W. Ward vice presidents and the following assistant vice presidents: David W. Reel, Randall Forby, Timothy J. Miller, Frederic G. Maurer III, Terry L. Moss and George J. Schupp.

The Fed has approved the affiliation of First Community Bancorp, Joplin, with Mercantile Bancorp, St. Louis.

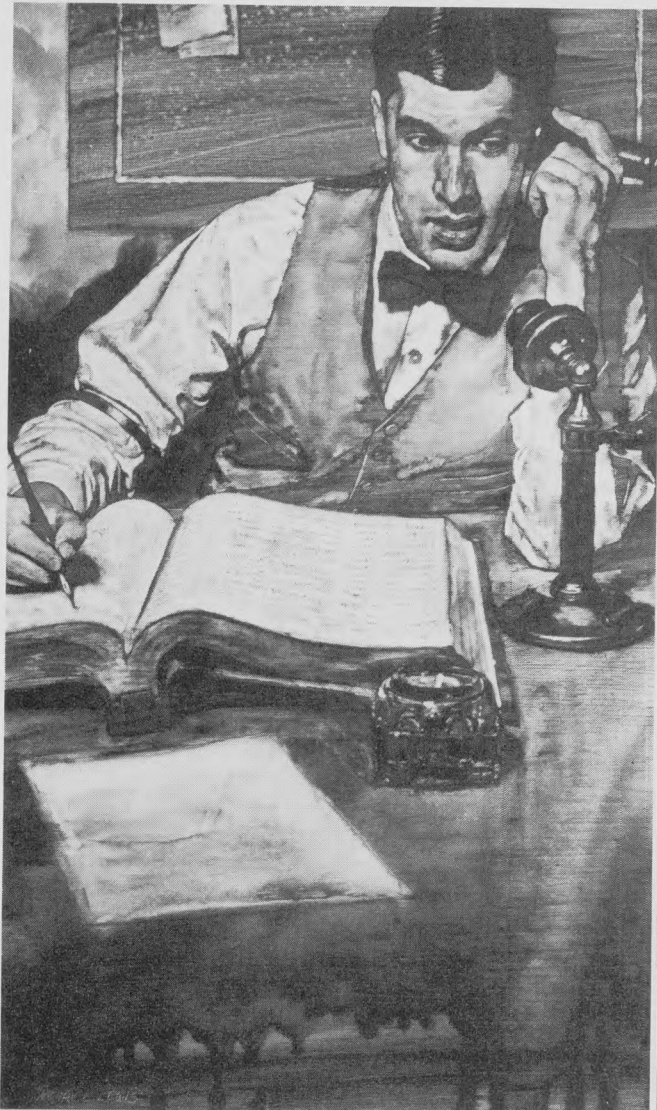
### 'VIBES' for Bankers

JEFFERSON CITY — The Missouri Bankers Association, in cooperation with the Mid-America Bankers Service Corp. (MABSCO), has introduced Video Education Service (VIBES).

The new service, designed to increase bank employees' professionalism, offers banks economical access to high-quality video-training materials that have been screened by a panel of bankers. By renting videotapes from VIBES, says the MBA, banks can conduct in-house employee-training programs at a fraction of the cost of out-of-bank alternatives.

MBA-member banks can enroll in VIBES by paying a \$200 annual fee. Then they are eligible to select and rent videotapes from the VIBES library. More than 30 videotapes — covering topics such as customer-service skills, security training, teller skills and officer-call techniques — now are available.

Complete information on VIBES is available from the MBA.



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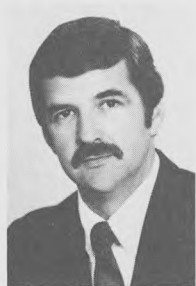
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The Joplin HC, with assets of \$255.1 million, owns seven banks throughout southwest Missouri, including its lead bank, First National, Joplin.

**Eugene L. Mahaffey** has been elected senior vice president, Commerce Bank, Kansas City, where he is responsible for retail banking/planning for the bank and the Kansas City region. He had been vice president, Commerce Bancshares, Kansas City, with responsibilities in retail banking/loan administration. He joined the Commerce system in 1970. Commerce Bank also named Ronald C. Gerdel vice president, trust investment department. He formerly was a senior investment analyst in the Kansas City office of Waddell & Reed, Inc.



MAHAFFEY



SIMPSON

**Carolyne L. Simpson** has been named manager, Woodson Road Facility, St. Johns Bank, St. John, which she joined in 1974. Most recently, Mrs. Simpson was assistant manager of the facility.

**Steven P. Colvis** has been elected vice president/cashier, Gravois Bank, Mehlville. He has returned to the bank after serving as operations officer at Belleville (Ill.) National.

**First National, St. Charles**, has promoted Wayne C. Borgschulte from auditor to controller and elected Dale J. Loeffler auditor.

**Clyde P. Angle** has been named vice president, Central Bank, Jefferson City, and continues as a trust officer. His new responsibilities include managing the trust department. The bank elected Thomas L. Sodergren an assistant trust officer. He formerly was a partner in a law firm and had been city attorney in Jefferson City since 1981.

**Boatmen's Bancshares, St. Louis**, has received Fed approval to acquire Metro Bancholding Corp., Clayton. The acquisition is scheduled to be consummated in the fourth quarter of this year. At Boatmen's National, St. Louis, Richard A. Hammarsten was elected trust officer.

## New Bank Opened



This ribbon-cutting ceremony signaled the grand opening of **Centerre Bank of South County (St. Louis area)**. Participating (l. to r.) were: board member **Paul J. McKee Jr.**, pres., **Paric Corp.**; board member **Raymond A. Guehne**, pres., **Nat'l Electric**; board member **Ben Weber**, vice president/chief financial officer, **St. Anthony's Hospital**; **Earl J. Gates**, v. ch. of the bank and pres., **Servco Companies**; **Richard G. Minear**, pres./CEO of the bank; **Clarence C. Barksdale**, ch./CEO, **Centerre Bancorp, St. Louis**; **Paul M. Ross**, e.v.p. of the HC, and **John W. Fricke**, v.p./St. Louis regional manager of the HC.



BAYLISS

**Larry D. Bayliss** has been elected a vice president, **Boatmen's Bancshares, St. Louis**, in charge of advertising/public relations, a newly constituted department of the HC transferred from its subsidiary, **Boatmen's National, St. Louis**. **David E. Kunze** was elected an assistant vice president. Both Mr. Bayliss and Mr. Kunze continue as officers of the bank. Transfer of this activity into the HC reflects the expanded role of the department in providing services to all subsidiaries of the HC. Mr. Bayliss joined the bank in 1968 and has headed the advertising/public relations department the past 11 years. Mr. Kunze also went to **Boatmen's National** in 1968.

## NEW MEXICO

**Orville Brey** has been promoted to senior vice president, **First City Financial Corp., Albuquerque**. He joined the HC in 1982 as vice president/real estate officer. At **First City National Bank, Albuquerque**, **Marie E. "Betty" Blea** has been made assistant cashier/loan servicing officer. She had been a problem-loan specialist with another Albuquerque bank.

**Michael H. Fisher** has joined **First City National of Lea County, Hobbs**, as executive vice president. He has been with **American National, Southwest National** and **Parker Square State**, all in **Wichita Falls, Tex.**

**Ann L. Mackay** has been named operations officer in charge of the book-keeping area, **First National, Santa Fe**. She transferred there from **Fidelity National, Albuquerque**. Both banks are affiliates of **New Mexico Banquest Corp., Santa Fe**.

## OKLAHOMA

### Oklahoma ATM Network Open to 55 More Banks

As a result of completion of an interchange contract completed between **Electronic Data Systems Corp. (EDS), Dallas**, and **Liberty National, Oklahoma City**, 55 more Oklahoma banks now are able to offer the **ChecOKard/Plus System** network to their customers. The agreement was announced jointly by **Stuart Reeves**, president, financial division, **EDS**, and **J. W. McLean**, **Liberty National's** chairman.

The interchange means that **EDS' Oklahoma** bank customers can use their bank cards at any **ChecOKard** automatic teller machine, and **ChecOKard** holders can access **EDS' Oklahoma** ATMs. Additionally, **EDS of Oklahoma** customers can use the national **Plus System** network through a franchise agreement with **Liberty National**.

**ChecOKard** interchange connections already were in effect with the **TransFund** and **Exchequer** systems in Oklahoma. The **EDS** group of banks adds another system to instate outlets available to **ChecOKard** holders.

In July, **Liberty National** activated the nation's first transcontinental ATM network with introduction of the **Plus System**. Some 2,000 ATMs across the nation are linked by the system, with 3,000 expected to be in operation by year-end.

The **EDS** firm provides long-term facilities-management services to all kinds of financial institutions in 19 states. Only those **EDS-serviced** banks in Oklahoma are affected in the interchange with **ChecOKard**.

**Ronald W. Wuensch** has been named senior executive vice president, **Fidelity of Oklahoma, Inc., Oklahoma City**. He formerly was a partner in **First Southwest Associates, Houston**. At the HC's subsidiary, **Fidelity Bank, Okla-**



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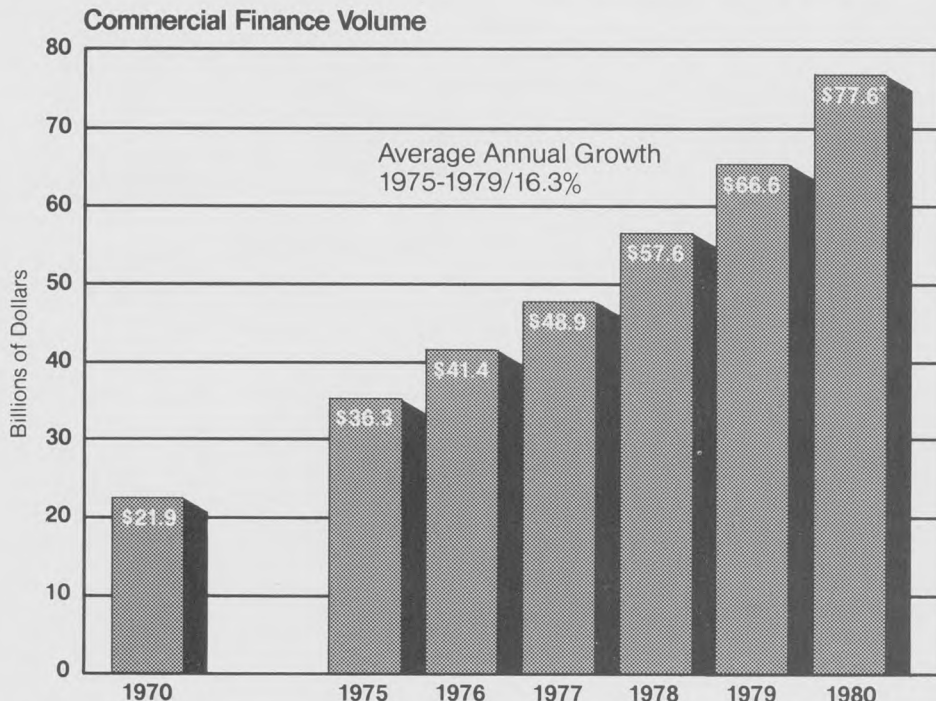
which can allow both of us to enjoy the profits which accompany successful asset-based financing.

Asset-based financing hinges on our ability to evaluate, monitor and control the collateral.

We finance accounts receivable, inventory and equipment. Then, available credit increases as receivables and inventories increase, allowing a company to avoid inflexible, fixed-term loans.

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Asset-based financing has grown dramatically, increasing more than 100% in the past five years alone.

\*NFC Estimate between \$76.6 Billion and \$78.6 Billion  
Source: National Commercial Finance Conference, New York

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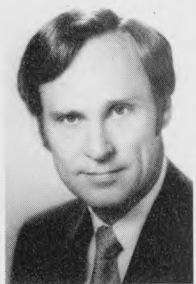
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homa City, George A. Ozan was made executive vice president/lending, Paul J. Kelly Jr. senior vice president/metropolitan lending and Jim C. Vervack senior vice president/trust division. Mr. Ozan went to the bank from Oklahoma City's First National, where he was senior vice president/loan review director, Mr. Kelly from Sara Oil & Gas, Inc., where he was president, and Mr. Vervack from Security General Life Insurance Co., Oklahoma City, where he was chairman/CEO.

**First Bancshares, Inc.**, Bartlesville, has reached an agreement in principle with Exchange National, Tulsa. The agreement calls for the Bartlesville HC to buy all outstanding shares of capital stock of Exchange National subject to a definitive agreement to be entered into. Purchase price is \$8.8 million in cash. First National, Bartlesville, is a subsidiary of First Bancshares.

**Wayne Griffin** has been named senior vice president, Exchange National, Del City. A banker since 1961, Mr. Griffin formerly was with Bank of Commerce, Jenks.



DICK



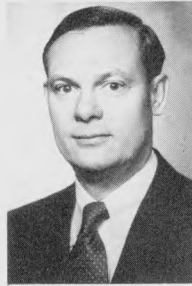
SHAW

**William A. Dick** has been named president, First National, Oklahoma City; **Ted W. Shaw** vice chairman, First Oklahoma Bancorp, Inc., and **Ken W. Townsend** chairman of the executive management committee of the bank and HC. Mr. Dick formerly was executive vice president, General Bancshares, St. Louis, and chairman, Commercial & Industrial Bank, Memphis. Mr. Shaw, president of the bank since 1981, joins C. A. Vose Jr. and C. E. Nelson in executive management of First Oklahoma Bancorp. Mr. Townsend is vice chairman of First National. In other action, the bank has named these vice presidents: **James D. Hall**, municipal bonds; **Rick Pistulka**, corporate/national division; **Larry Ratzlaff**, metropolitan division; **Jo Ann Schoo**, management resources, and **Jerry Wise**, First Investment Management Corp.

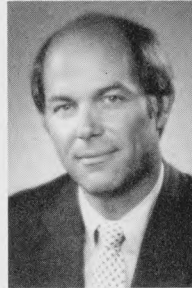
## TENNESSEE



KANE



COOK



CLAY

**Third National**, Nashville, has announced a major realignment of senior executives. **Charles W. Cook Jr.** now is chairman/chief operating officer; **John W. Clay Jr.** is president, and **Charles J. Kane** is senior chairman and remains CEO. Mr. Kane also continues as chairman/CEO, Third National Corp. Mr. Cook, who had been president of the bank since 1979, joined the bank in 1959. Mr. Clay joined Third National as a management trainee in 1967 and had been executive vice president since 1981. The bank also elected **James A. Ives** and **Ronald Robinson** first vice presidents, both in bank systems; **Thomas Snyder** assistant vice president/corporate banking and **Richard Gavigan** assistant vice president/corporate services. Mr. Ives, director of the data processing department, joined the bank in 1978. Mr. Robinson is director of bank operations and went to the bank in 1952. Mr. Snyder joined the bank in July from First National, Louisville. Mr. Gavigan went there in August as product manager/corporate services after having been with Union Planters National and First Tennessee, both in Memphis. In addition, Third National has elected a new director — **James L. Johnson** of Nashville, who heads Tennessee operations for South Central Bell.

**Union Planters National**, Memphis, has elected three vice presidents in its investment banking group. They are: **James L. Lloyd**, manager/portfolio strategies; **William A. Faron**, mortgage trader, and **Frank Tibbs**, marketing director. Mr. Lloyd was partner in the tax department of the St. Louis

office of Peat, Marwick, Mitchell & Co. Mr. Faron was a mortgage broker at Paine Webber Jackson & Curtis, Inc., working in both the Chicago and St. Louis offices. Mr. Tibbs formerly was manager, Student Loan Marketing Association, Washington, D. C.

**John A. Fehlandt** has been elected vice president/manager, commercial loan department, American National, Chattanooga, which he joined in 1970. In his new post, he replaces **William G. Brown Jr.**, who has joined Bank of Knoxville as executive vice president. That bank is an affiliate of Third National Corp., Nashville.

### Clarksville Bank Closed

CLARKSVILLE — Deposit liabilities of United Southern Bank, which was closed August 26, were assumed by First American, Nashville. United Southern's sole office reopened August 29 as a branch of First American.

In closing the bank, **William C. Adams**, Tennessee commissioner of banking, cited excessive loan losses as the cause of its insolvency. The FDIC was named receiver.

## TEXAS

### First Nat'l, Fort Worth, Now Called InterFirst

First National, Fort Worth, officially became InterFirst Bank Fort Worth, N. A., September 1 to reflect its affiliation with InterFirst Corp., Dallas. The HC was merged June 28 with First United Bancorp, Fort Worth, in what was said to be the largest banking merger in Texas history.

The merger produced a company of 66 member banks with assets of more than \$22 billion.

The name change was the first in First of Fort Worth's 106-year history. In 1971, the bank adopted the shortened "First of Fort Worth" name to distinguish it from hundreds of other First National banks. However, the legal name remained First National Bank of Fort Worth.

Not only was the bank given a new name, but its building name also was changed to InterFirst Fort Worth Building.

Five other First United banks in Tarrant County were given new names September 1: University Bank to InterFirst Bank University Drive; Gateway National to InterFirst Bank Gateway, N. A.; Metroplex National to In-

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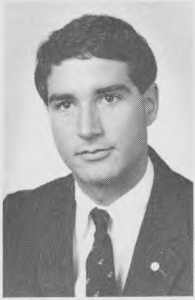
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WILSON



HUGHES

**Anita Hughes**, head of the bond division, Frost National, San Antonio, has been promoted to senior vice president. She joined the bank in 1970. In other action, Craig S. Wilson was named correspondent banking officer. He joined the bank in its training program in August, 1982. The bank also promoted John O. Coen, Jim Lohse and Jeanie Rabke to vice presidents, Mr. Coen in support services, Mr. Lohse in properties administration and Ms. Rabke in trust investments. James R. Hebert was elected vice president/systems programming.

**Richard C. Amacher** has been named senior vice president/taxation, Mercantile Texas Corp., Dallas, which he joined in August. Most recently, Mr. Amacher, a CPA, was with Southwest Bancshares, Houston, a bank HC with which Mercantile Texas has a pending merger.

**Harvey R. Mitchell** will join InterFirst Corp., Dallas, by year-end as vice chairman in charge of developing non-bank financial services. He is president/director, STM Mortgage Corp.

### First Branch Opens

SAN ANTONIO — When Alamo National opened its Alamo Bank/One River Walk Branch recently, the bank's chairman/CEO, William J. Renfro, said it was the first branch bank in Texas.

Under provisions of S.B. 596, enacted last spring, national banks can provide full-service banking within 3,500 feet of their main offices. The bill amended the Texas Banking Code of 1943 with regard to the definition of a banking house.

The One River Walk location is within 3,500 feet of Alamo National's main bank and is physically connected by a data line that provides access to customer accounts, thus meeting requirements of the new law.

and its related companies. When Mr. Mitchell joins InterFirst Corp., he will be elected to its board.

**First City National, El Paso**, has elected Gerald J. Rubin a director and Guillermo Ochoa an advisory director. Mr. Rubin is president/CEO, Helen of Troy Corp. Mr. Ochoa is with Bermudez Group, a diversified group of Juarez, Mexico, corporations.

### Extra Insurance Coverage Provided by RepublicBank For Discount Brokerage

By special agreement with A. G. Becker Paribas, Inc., and Aetna Casualty and Surety, Inc., Dallas-based RepublicBank Corp.'s new discount brokerage service will offer \$2 million per-customer coverage in addition to the up to \$500,000 provided by the Securities Investor Protection Corp.

A. G. Becker is to serve as the clearing agent for RepublicBank's discount brokerage service, which was scheduled to begin operation September 9. Mike Harrison, manager/discount brokerage at RepublicBank, said the bank's discount brokerage customers will get the same additional protection that A. G. Becker extends to its clients. While it is not unusual for a large brokerage firm to provide such additional coverage, he said, it is unusual for a bank with a discount brokerage service to do so. Republic Bank is not attempting to match the product array of a large brokerage house, Mr. Harrison said, but it does want to offer a similar level of service.

All 36 member banks in Texas are offering a wide range of brokerage services, including purchase or sale of stocks, bonds, options, government securities and also margin trading. A. G. Becker is providing execution, clearance and record keeping of all buy and sell orders for RepublicBank.

"RepublicBank's new discount brokerage services will offer investors both convenience and competitive rates through one of Wall Street's oldest and most distinguished brokerage firms," said Joseph R. Musolino, RepublicBank Corp.'s vice chairman. "In addition, our customers will receive an extra measure of protection through the additional insurance provided by special arrangement with A. G. Becker."

To enhance the ease and accessibility of placing investment orders, the bank has established a toll-free telephone number for customer use from any part of the state connected to the RepublicBank office in Dallas, where

the brokerage service is based. The highly sophisticated Data Network System will link RepublicBank's brokerage professionals directly to the floor of the exchanges or trading desks for immediate execution of all transactions. Computer terminals and printers installed at RepublicBank will record customer-order confirmations instantly.

### Bank Lowers Loan Rates To Aid Hurricane Victims

With Hurricane Alicia still raging outside, Charter Bank, Houston, decided to run an advertisement offering home-repair loans at 2% below its FHA title 1 rate for a 30-day period.

"We, too, suffered from the wrath of Alicia and felt empathy for the citizens of our community," explained Jerry Finger, chairman, Charter Bancshares. "As a result, we wanted to provide aid to help these people get back on their feet as fast as possible."

A great many homes in the Houston area were damaged by Alicia, and Charter Bank's lower loan rates provided relief for many people who desperately needed assistance, the bank says. The offer of lower rates was made not only to Charter Bank customers but to all residents in the Oak Forest, Garden Oaks and Shepherd Park areas.

### Customers Can Look at Art While Cashing Their Checks

An art collection ranging from the works of pop artists Andy Warhol and Robert Rauschenburg to Quaker folk painter and preacher Edward Hicks is on display at Allied Bank of Texas, Houston, in the new 71-story Allied Bank Plaza.

The exhibit includes Mr. Warhol's "Flowers," on loan from a private foundation, Mr. Rauschenburg's "Glaze," on loan from the James Corcoran Gallery in Los Angeles and works by impressionist Mary Cassatt and 19th century portrait painter Thomas Sully, on loan from Hirschl & Adler in New York.

The art work is part of the bank's growing "living art" collection of 19th and 20th century American art, considered "living" in the sense that the paintings will be rotated and new pieces exhibited periodically.

Plans call for most member banks of the Allied holding company family throughout Texas to eventually own and/or exhibit major pieces of art.

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# Things Can Only Get Better, Ag Bankers Told at Market Day

**J**UST AS it's pretty difficult to get a farmer down in the dumps, so it's pretty difficult to get bankers who service farmers down in the dumps.

Despite the ravagement of this year's grain crops which is expected to result in the smallest corn crop since 1970; the resultant shortage of feed grains that is triggering the sharpest takedowns in livestock breeding stock numbers since 1974; and continuing high interest rates, those involved with agriculture are taking little time to mope. Rather, they're thinking about next year and the prospects for a better deal for everyone.

Such was the mood at last month's 27th annual Market Day at the Yards, sponsored by First National and First Stock Yards banks in St. Joseph, Mo.

The annual program always includes an "attitude-adjustment period" that takes place after a day's worth of predictions and reports on the industry. But this year it seemed that bankers' attitudes had pretty much been adjusted to the realities of the current ag

situation prior to the day the bank-sponsored event was held.

About 150 bankers from Missouri, Kansas and Iowa heard James A. Layton, president, Clayton Brokerage Co., St. Louis, present an agricultural outlook. After giving updated figures about this year's disappointing grain-harvest expectations, Mr. Layton predicted good times for next year.

He said wheat prices will rise slowly as demand creeps up next year; hog prices are expected to rally \$15-\$20 in 1984; cattle-feeder prices could be in the \$70 range; and cotton is seen to be fetching 85¢ per pound.

He reported that the market for precious metals is starting to fizzle. Gold prices are vacillating between \$400 and \$450 and silver prices are seen to be down to \$11.50 and lower.

Interest rates will ease slightly by the end of 1983, Mr. Layton said, accompanying a slight weakening of the dollar. Consumer prices are expected to rise 5% in 1984.

He warned his audience that the trade deficit must be faced. Short-term investments from overseas are underpinning our dollar, which is unbelievably strong. More than three-quarters of all interest payments being made are paid by the federal government, which will help to keep the deficit extremely high through 1986. The only way to lower deficits, he added, is to address the issue of government spending.

During a question-and-answer session, Mr. Layton said he sees no grain embargo on the horizon because of the incident involving the shooting down of the Korean airliner; that the impact of the first payment-in-kind (PIK) program won't be known until later in 1983; and that land prices are expected



Speaker James A. Layton (c.), pres., Clayton Brokerage Co., St. Louis, is flanked by H. H. Broadhead Jr. (l.), dir., First Stock Yards Bank, and Bill Manning, v.p., First Nat'l, St. Joseph, at annual market day at yards, sponsored by two institutions.

to double by 1990.

He said the PIK program has created a terrible disparity of production in U. S. agriculture, and he called on the agribusiness industry to carry the ball in convincing politicians to change the path of the federal government to bring better balance to agriculture.

Each year, bankers eagerly await the prophecies of a panel of agricultural experts recruited from the St. Joseph area. This year's panelists didn't have much to say.

Moderator James F. Reynolds, president/general manager, St. Joseph Stock Yards, summed things up neatly for the livestock industry by stating "Those who have feed grain will be well off. Those who don't won't."

Robert Waddell of the Producers Live Stock Marketing Association called attention to the fact that lighter-weight hogs are a drag on the current market, causing prices to drop to \$48 this year from \$64 last year. The number of hogs being slaughtered is up.

Prices for feeder steers are up from \$2 to \$3, said Bill Ames of the John Clay-Heady Fannen Livestock Co. He added that the cattle market could improve, but that bankers "are going to have to go along with farmers this winter." Feeders will need a lot of assistance this fall and next spring.

Maurice Heitman, director, Holt County, Mo., ASCS, said things were looking good with the PIK program until "the good Lord decided to run His own PIK!" Northwest Missouri is expecting to salvage only half its corn crop and one-third of the bean crop is expected to be lost. Corn and beans that were planted early fared better than those planted later, but spider



James F. Reynolds (l.), pres./general mgr., St. Joseph Stock Yards, moderated panel of ag specialists on market day program. At r. is John E. Karn, s.v.p., First Nat'l, and ch., First Stock Yards Bank, St. Joseph.



Bill Manning (on podium) introduces panel portion of program at market day. Among panelists are (from l. of Mr. Manning) moderator James F. Reynolds; Robert Batte, Bunge Corp., Kansas City; and Maurice Heitman, Holt County Mo. ASCS.



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mites are attacking the bean crop. He predicted a wide variation in farm incomes.

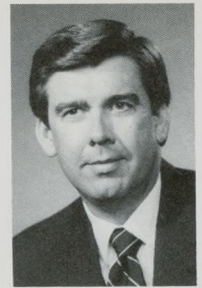
The only success story is winter wheat, which has resulted in a prediction that farmers will have to idle 50% of their acreage next year to be eligible for loans. Only 10% of next year's corn acreage is expected to be idled to qualify farmers for loans on that crop.

Robert Batte, district manager, Bunge Corp., Kansas City, said there is a chance for a corn carryover this year despite the disastrous harvest expected. One of the big problems farmers face this year is the nature of the market. It's switched from demand-

oriented to supply-oriented, which has forced prices down. The price-support safety net is so high now that other nations are being encouraged to compete with U. S. farmers. — **Jim Fabian**, senior editor.

● Copies of the 1984 roster of Certified Commercial-Investment Member (CCIM) designees — listing by geographic location the 1,800-plus designees, their business addresses, telephone numbers and areas of business expertise — can be obtained free from the Realtors National Marketing Institute, 430 N. Michigan Ave., Chicago, IL 60611.

## Missouri Valley RMA Elects New Officers



STEPHENSON

Paul D. Stephenson, senior vice president, Fourth National, Wichita, has been elected president, Missouri Valley Chapter, Robert Morris Associates, for 1983-84.

Other new officers are: first vice president, Robert C. Matthews, senior vice president, Commerce Bank, Kansas City; second vice president, Timothy J. Coughlon, executive vice president, Northwest Bank, Sioux City, Ia.; secretary, Marilyn Pauly, vice president, Fourth National, Wichita, and treasurer, J. L. Wooldrige, senior vice president, First National, Wichita.

## New Lifetime-Income IRA Offered by Bank in Indiana

A new lifetime-income IRA, called the Garanuity IRA account, is being offered by Fidelity Bank of Indiana, Carmel. Bank President William K. McGowan says his bank is the first in the nation to offer the program.

The account guarantees that its holder will receive a lifetime income, Mr. McGowan says, and lets them take advantage of all benefits offered by conventional IRAs, such as security, safety, tax-deferred interest earnings and tax-deductible deposits.

The program is offered to the bank by Enhanced Benefit Plans, Inc., developer of Garanuity IRA, and is underwritten by American Life & Casualty Insurance Co.

According to Mr. McGowan, each Fidelity Bank IRA account holder receives a certificate issued by American Life that guarantees the account holder will receive the benefits promised. When retirement age is reached, the bank advises American Life with a conversion form that annuity income is desired and which of a variety of lifetime income options the account holder has chosen.

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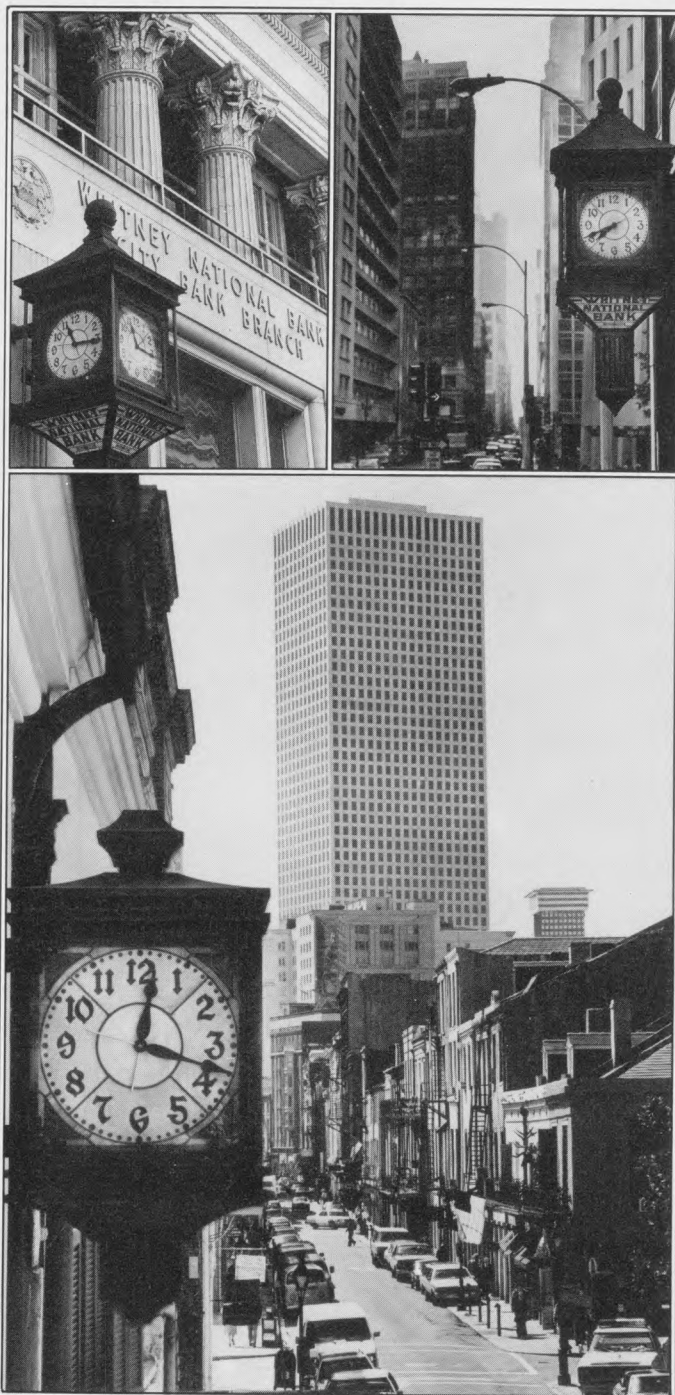
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# Support Multi-Bank HCs Is Theme Of Kentucky Bankers' Convention

**U**NANNOUNCED THEME of last month's annual convention of the Kentucky Bankers Association was "Support Multi-Bank HCs." More than one speaker stated plainly that it was time for a structure change in the commonwealth (of Kentucky) to permit the state to live up to its potential as a good place for industry to set up shop.

Marlin D. Jackson, Arkansas' new banking commissioner, told the convention about his switch in allegiance toward multi-bank HCs. He advised his listeners that the change in bank structure to permit such HCs, made in Arkansas recently, was a change for the better.

"It's a topic that should be discussed," he said, "but don't kill yourselves over it!" He said the public in general doesn't care who owns the local bank, just so that bank provides the services customers want. Bankers who are considering the best interests of their customers will favor multi-bank HCs because that's the best way to increase capital pools and bank viability. Majority stock owners favor multi-bank HCs because of the opportunity such a setup holds to increase the market potential for their banks' stock.

If the structure of banking is important to the economy and to the people, he added, it will take on a life of its own, and Kentucky bankers should see this fact and "flow with the tide, not buck it."

Mr. Jackson concluded by stating that deregulation is a threat only to those living in the past. The future looks bright for banking to those who are true entrepreneurs.

Kentucky's own banking commissioner, Leonard B. Marshall Jr., continued in the same vein. His remarks, titled "Our Time Has Come," referred to the good times that are coming to Kentucky banks once they support the multi-bank HC route.

"Our time has come," he said, "for bankers to step up to their responsibilities as community leaders to decide on a proper role for today's Kentucky banker."

He traced recent history — how the banking environment has been



**L. T. Peniston (l.) and F. C. Keiser (c.), dir. and pres., respectively, Farmers Deposit Bank, Eminence, chat with ABA Pres.-Elect Robert Brenton (r.), convention speaker. Mr. Keiser is outgoing KBA pres.; Mr. Brenton is pres., Brenton Banks, Des Moines, Ia.**

reshaped by inflation and high interest rates, business deregulation, new technology and centralization of commerce and industry. Social changes also were evident. Political changes ranged from conservative to liberal and back to conservative. The movement became pervasive and opened the way for nonbanks to appear.

He added that the future is full of new pressures, resulting in a new environment that is devoid of protectionism. This new environment is a challenge to everyone.

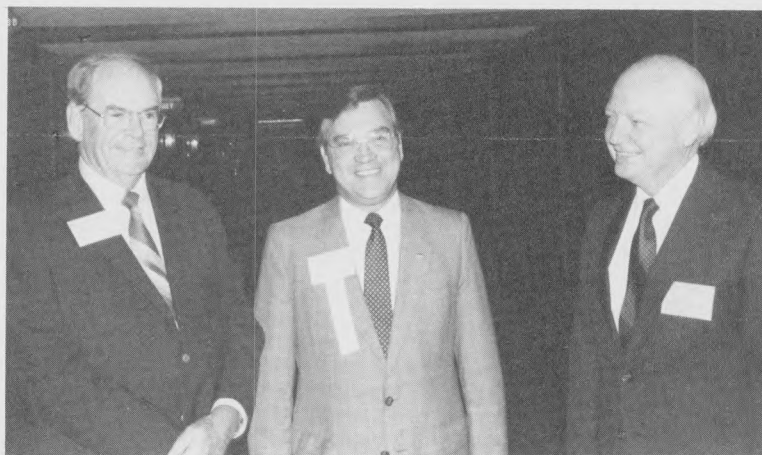
He accused Kentucky bankers of not fully responding to these changes. They failed to find favor with multi-bank HCs and thus cut themselves off from prosperity.

He predicted real economic growth for the balance of this decade, but implied that such growth would bypass Kentucky if banking structure remained in the status quo. Conservatism will be "in" for the balance of the '80s, he said, and deregulation for banking will continue.

Bankers must sponsor orderly planning and growth for the state, thus seeking to control their own destiny. He recommended that bankers respond to change quickly and responsibly. If they don't, everyone in Kentucky will suffer. "Let's get this state out of low gear and into high gear toward its fulfillment," Mr. Marshall said.

The topic of deregulation was debated by two speakers — one pro and one more cautious. ABA President-Elect Robert Brenton, president, Brenton Banks, Des Moines, Ia., said the ABA is highly in favor of current deregulation-of-services legislation. It's not a perfect answer, he admitted, but it is a good jumping-off point. The way things are now, he added, bankers are in a position similar to a clothing store that is prohibited from selling shirts and shoes.

Bankers don't want to fetter others, he said, they just want freedom to compete. He added that it would be unbelievable if Congress failed to establish a level playing field for all financial institutions.



**New KBA officers for 1983-'84 are (from l.) L. M. McBride, pres.-elect; Clay Parker Davis, pres.; and I. B. Utley, treas. Mr. McBride is pres., City Nat'l, Fulton; Mr. Davis is pres., Citizens Nat'l, Somerset; and Mr. Utley is pres., Farmers Bank, Henderson.**



Representing two Fed banks at KBA convention are Karen N. Horn (l.), pres., Cleveland Fed, and Ruth Bryant, v.p., St. Louis Fed. Ms. Horn was convention speaker.

He came down hard against the Fed's recommendation for a moratorium on banking legislation in order to provide time for adequate study of more deregulation efforts. The Fed wants to strip any firm other than bank HCs from acquiring banks, to invalidate the law in South Dakota that opens the way for banks to offer insurance services and to stop existing non-bank services from being offered, he said.

The moratorium should be rejected because it won't meet its objectives, Mr. Brenton said. It only places banking in a deep freeze while permitting nonbanks to go on establishing relationships with the public. He said there has been ample time to examine the issues; there's no need for more time.

A moratorium would rob the consumer of the benefits of expanded

financial services, he said. Nonbanks favor a moratorium because it favors their interests.

Bankers are placing too much concentration on new products and services without answering all the questions regarding the future effects of such services, said Karen N. Horn, president, Cleveland Fed., who followed Mr. Brenton on the platform.

She said market forces shape deregulation and will continue to do so because nothing can stop them. They're stronger than the forces wielded by regulators, she added.

She implied that there's plenty of room for all kinds of financial institutions and alluded to the retail industry, which supports both department stores and boutiques.

She called for improvements in bank-management quality. A recent survey by the Cleveland Fed shows there are weaknesses in asset quality in state-chartered banks in the Fourth Fed district. Classified assets have more than doubled recently, with no end in sight to the increase.

Poor management practices show up during hard economic times, she added, and this accounts for the majority of bank failures in recent years. Improvement in the economy doesn't mean poor management practices can continue, she warned.

Both candidates for governor appeared during the convention to gain support from bankers. The Republican candidate, Jim Bunning, was unequivocal in his support of multi-bank HCs. People are better served by



James G. Meredith (l.), pres., Bank of Cumberland, Burkesville, and KBA E.V.P. Willis Moremen (c.) chat with Marlin Jackson (r.), Ark. banking commissioner, during convention session.

multi-bank HCs, he said. They are necessary in order to expand existing capital needs and to enable new business to come to Kentucky.

The Democratic candidate, Martha Layne Collins, was mum on the holding-company issue. She is the state's lieutenant governor.

Robert D. Vance, president, State National, Maysville, was elected to the ABA's governing council during the meeting of members of the ABA. Robert E. Sutherland, ABA vice president for Kentucky and president, Wilson & Muir Bank, Bardstown, reported that more than 90 Kentucky banks have dropped out of the ABA in recent years.

KBA officer elections saw Clay Parker Davis, president, Citizens National, Somerset, elevated from president-elect to KBA president; L. M. McBride, president, City National, Fulton, elected president-elect; and I. B. Utley, president, Farmers Bank, Henderson, elected treasurer.

New KBA directors were elected at group meetings earlier in the year. Group One elected Patrick J. Cven-gros, president, Citizens Bank, Paducah; Group Two elected Ronald Jent, president, Morgantown Deposit Bank; and Group Three named Zack Saufley, president, Farmers Bank & Capital Trust, Frankfort. — **Jim Fabian, senior editor, and John Cleveland, assistant to the publisher.**



Welcoming Jack W. Strother (c.), ch., Commercial Bank, Grayson, into KBA 50-Year Club are outgoing KBA Pres. F. C. Keiser (l.), pres., Farmers Deposit Bank, Eminence, and incoming KBA Pres. Clay Parker Davis, pres., Citizens Nat'l, Somerset. John W. Woods Jr., ch., Third Nat'l, Ashland, also became a 50-year banker this year.

## Banking's Changing Markets, Technologies Require Shift In Focus, Speaker Says

**O**RGANIZATIONAL effectiveness and efficiency and the relationship between the two was the topic explored at a workshop presented by Dr. James H. Donnelly Jr., professor of marketing, College of Business and Economics, University of Kentucky-Lexington, at the Kentucky Bankers Association convention last month.

Effectiveness is the foundation for success and efficiency is the minimal condition needed for survival once effectiveness has been achieved, Dr. Donnelly said. But once an organization has become ineffective, becoming more efficient will not cure an ailing organization. Doing the wrong things better is no pathway to success, he added.

An industry undergoing tremendous changes in technology and in its markets — as the banking industry currently is — must be able to shift its

managerial focus toward the performance criterion most appropriate to its needs.

Dr. Donnelly's talk was titled "The Changing Managerial Focus in Banking." He said that changing technologies and markets within an industry have a "multiplicative" effect on the changes in an organization's environment, requiring a shift in focus to effectiveness rather than efficiency as the primary criterion for performance.

He cited the case of the American railroads, which early in this century responded to the threat of airplanes, trucks and telephones by attempting to become better railroads. In other words, they attempted to do better the things they were already doing rather than attempting to become more effective in the performance areas in which the emerging technologies were strong. ● ●

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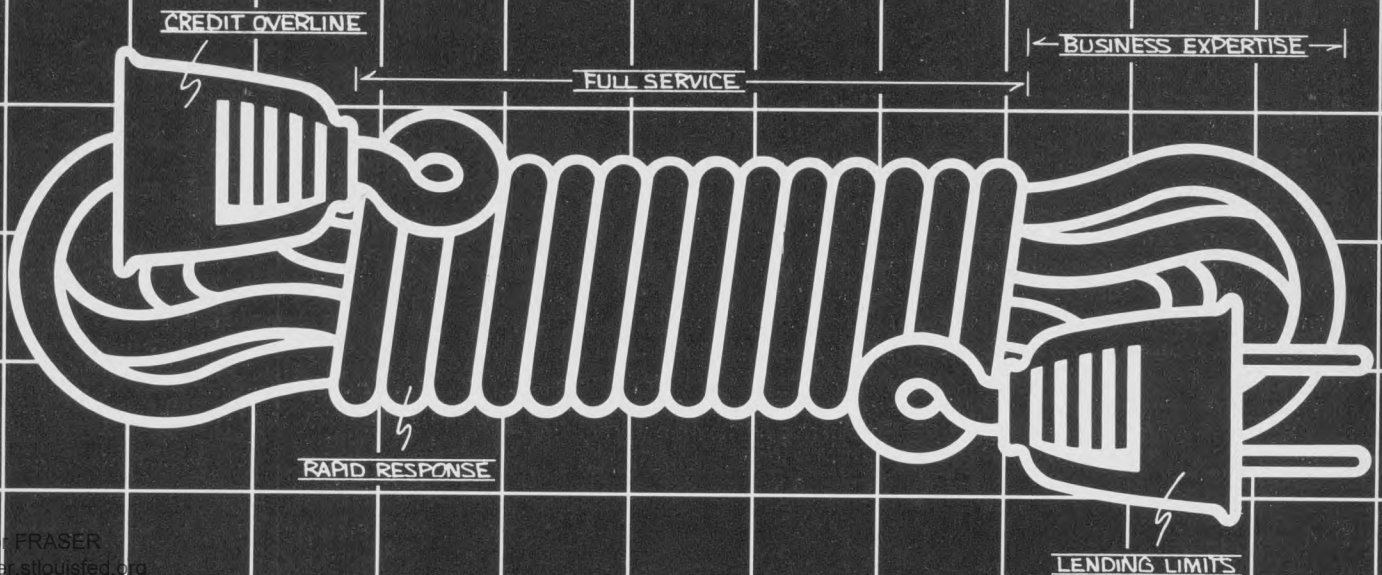
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# Alternate Financing Is Topic Of Missouri Fall Festivals

**A**LTERNATE forms of financing and the latest developments on withholding-at-source were topics discussed at the Missouri Bankers Association (MBA) fall festival general sessions held in the eight MBA regions last month.

Personnel who spoke on alternate forms of financing at the various regional meetings changed, but the message was the same at each location.

At the Region Five meeting in Washington, for example, Lindsay Alsop, account executive for the Office of Business Development, St. Louis, spoke on opportunities for bankers under the Small Business Administration's 503 program. A certified development company such as the Office of Business Development acts as a conduit between a small-business concern and a bank on long-term, reasonably priced, fixed-asset-purchase loans under the 503 program, Mr. Alsop explained. Although Mr. Alsop said there has been a "tremendous boom" in 503 loans, only four bankers in an audience of about 35 indicated via a show of hands that they knew much about the subject.

Mr. Alsop explained that the program is designed to assist small businesses with alternate forms of financing and, in so doing, preserve and create jobs. For the participating bank, loan exposure is held to a mini-

mum and a small-business project that otherwise might have been abandoned due to lack of financing is allowed to proceed.

The Office of Business Development in St. Louis has participated in about 100 503 loans varying in size from \$35,000 to \$1.6 million on projects as diverse as car washes and steel foundries, Mr. Alsop said. Loans for those projects had helped to retain or create at least 1,600 jobs, he added.

At Mr. Alsop's request, Lon Beach, executive vice president, Boatmen's Bank of West County, Ballwin, discussed his experiences with 503 loans. He said his bank initially had become involved with a 503 financing a year and a half earlier, when a customer called inquiring about low-rate 503 loans. Based on the customer's inquiry, Boatmen's decided to try to finance the project through the 503 program and was pleasantly surprised to find that paperwork requirements were not out of the ordinary and that the bank's loan exposure was minimal. The 503 program "fills a void for those customers who are presently not big enough to pay legal fees for IRBs (industrial revenue bonds)," he said.

Another source of alternate financing was described by Barry Jackson, manager of financial programs, Missouri Division of Community and Economic Development. A new state loan-guarantee program and a direct-loan program are targeted at providing assistance to small businesses to get more "bang for the buck," he said. Statistics indicate that a Fortune 500 company spends an average of \$100,000 to create one job while a small business expends an average of only \$10,000 to \$15,000 for the same result, he said. Yet small businesses have more difficulty getting access to long-term credit markets.

Jack Butler, assistant vice president, corporate finance, Stern Brothers & Co., Kansas City, told audiences around the state about the state Industrial Development Board's new bond-financing program. Funding for various projects will be raised through a pooled issue of AAA-rated, insured, tax-exempt bonds paying a fixed-interest rate for 20 years, Mr. Butler said. The first issue under the program is set for November. The pooled offering takes advantage of economies of



**Lindsay Alsop, Office of Business Development, St. Louis, describes Small Business Administration's 503 loan program at MBA fall-festival general session held in Washington.**

scale and makes it possible for the board to provide — through local banks — up to 100% financing on any qualified project up to \$2.5 million. Partial financing on projects of greater magnitude also is possible, he said.

Mr. Butler also provided a partial list of projects that do not qualify under the program. Since the insurance company backing the bonds requires at least a three-year financial track record for each project, start-up businesses are not eligible. Nor are retail stores or shopping centers, office buildings intended for lease, health-care facilities and farms. Banks seeking to finance under the program should look for potential clients with a debt-to-equity ratio not exceeding three or four to one and a cash flow at least 1½ times debt service, he warned.

Wade Nash, MBA legal adviser, brought his audiences up to date on the latest provisions of the Tax Compliance Act of 1983. A grassroots effort by bankers had helped repeal the more onerous provisions of last year's Tax Equity and Fiscal Responsibility Act (TEFRA), Mr. Nash said, but the new act will create a heavy reporting bur-



**Richard Mason, MBA lobbyist, dressed up in farmer's overalls and straw hat to talk to assembled state legislators about rural banking issues at one of the eight regional fall festivals.**



**Wade Nash (l.), MBA's legal adviser, answers questions on tax withholding posed by Lee Parks, Normandy Bank, St. Louis. Mr. Nash was one of the featured speakers at MBA fall-festival general business sessions.**

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den on banks.

"Just as tax withholding was the chief source of controversy under TEFRA, . . . backup withholding is the crown jewel of enforcement under the new law," he said.

Banks will be required to penalize themselves for failure to accurately report information about taxpayers, according to Mr. Nash. Even if a customer fails to certify that he/she is a delinquent taxpayer or provides insufficient or inaccurate data, the bank still can be penalized unless it can show it has exercised due diligence in guarding against that possibility, he said.

After the general business session in each region, bankers recessed to a social hour and catered supper, where they had an opportunity to mix with their state legislators.

In addition to the Region Five meeting in Washington, MBA fall festival programs were held in Moberly (Region One), Trenton (Region Two), St. Joseph (Region Three), North Kansas City (Region Four), Cape Girardeau (Region Six), Springfield (Region Seven) and Columbia (Region Eight).

The following officers, who will begin their terms following next May's MBA convention, were elected:

*Region One:* vice president — E. H. Brauer Jr., president, Shelbina Mercantile Bank; secretary — Paul L. Martin, president, Paris National.

*Region Two:* vice president — Clithro L. Anderson, vice president/cashier, Ludlow National; secretary — David G. Long, president, Citizens Savings Bank, Browning/Milan.

*Region Three:* vice president — Luther Thompson, president, Bank of Atchison County, Rock Port; secretary — Colby D. Lamb, president, Farmers Bank of Grant City/Sheridan.

*Region Four:* vice president — Dayle P. Lindsey, president, Allen Bank, Harrisonville; secretary — Russell L. Ruth, president, Mercantile National of Clay County, Kansas City.

*Region Five:* vice president — William H. Jones, Jr., executive vice president/cashier, Meramec Valley Bank, Valley Park; secretary — Charles S. Betz, president, Commerce Bank, Kirkwood.

*Region Six:* vice president — Lawrence H. Rost, executive vice president, Bank of New Madrid; secretary — Donald Combs, president, Bank of Grandin.

*Region Seven:* vice president — Virgil D. Hughes, president, Humansville Bank; secretary — David Gohn, president, West Plains Bank.

*Region Eight:* vice president — W. Blaine Luetkemeyer, assistant cashier, Bank of St. Elizabeth; secretary — William H. Bates, president, Boone County National, Columbia — **John L. Cleveland, assistant to the publisher.**

loan-documentation system.

"It was the best practical experience I could have gotten," Mr. Elm said. "It definitely will give me an edge in the job market."

Dr. Simpson said the students' summer internship was productive because they were not given menial tasks, but rather were challenged by their assigned tasks. Danny Ogden, Woodward, started out the summer in the bookkeeping department and ended up making a loan decision on his own.

"We let Danny take the loan application, check credit references and analyze the loan himself," said Mike Stuart, executive vice president at Shattuck National, where Mr. Ogden served his internship. "Then we reviewed his decision and discovered it was the right one."

Mr. Stuart, a member of the OBA committee that helped coordinate the program with the university's School of Business Administration, said the quality of students selected made the program work. "We sent them our best students, our first team, and the results were terrific," Dr. Simpson concurred.

Poteau native Tracy Caldwell, a senior finance major, said that his summer internship was a "blast." It was so exciting, in fact, that he did not want to go back to school.

Mr. Caldwell spent the summer in McAlester at First National, where he started as a teller, moved to the bookkeeping department and then to asset/liability management and lending. He was surprised to discover he liked lending better than asset/liability management.

A three-day orientation session conducted by the university preceded a student's first day of work. During the session, students listened to lectures from bankers and professors and took a tour of a Stillwater bank. They were given a test at the end of the session.

Grading did not end there, however. In order to earn three credit hours during their internships, students had to perform their jobs to the satisfaction of their bank supervisors and complete a term paper in which they discussed a specific bank topic.

Mr. Caldwell chose to do his paper on electronic-fund-transfer systems. "With all of the recent changes in Oklahoma's bank laws, banks are going to have to install automatic teller machines to compete," he said.

Rex Wilson, an accounting major from Pryor, worked in the human resources department at Liberty National in Oklahoma City and spent the summer rewriting job descriptions for

## Oklahoma Interns Spend Summer Getting Inside View of Banking

**E**LEVEN Oklahoma State University students spent their summer learning the complexities of assets and liabilities, thanks to an intern program run by the Oklahoma Bankers Association.

The OBA program was re-established this year after having been inactive for an 11-year period. Ten banks ranging in size from \$24.1 million to \$2.2 billion participated. The objective of the summer-intern program is to allow the students to evaluate a career in banking, offer a unique combination of on-campus and off-campus instruction, expose banks to top-notch future employment candidates and strengthen the relationship between Oklahoma's banking and academic communities.

"We accomplished more than we ever thought we would in the first year," said Gary Simpson, associate professor of finance at the university. Few academic programs ever seem to be completely on target, but the OBA

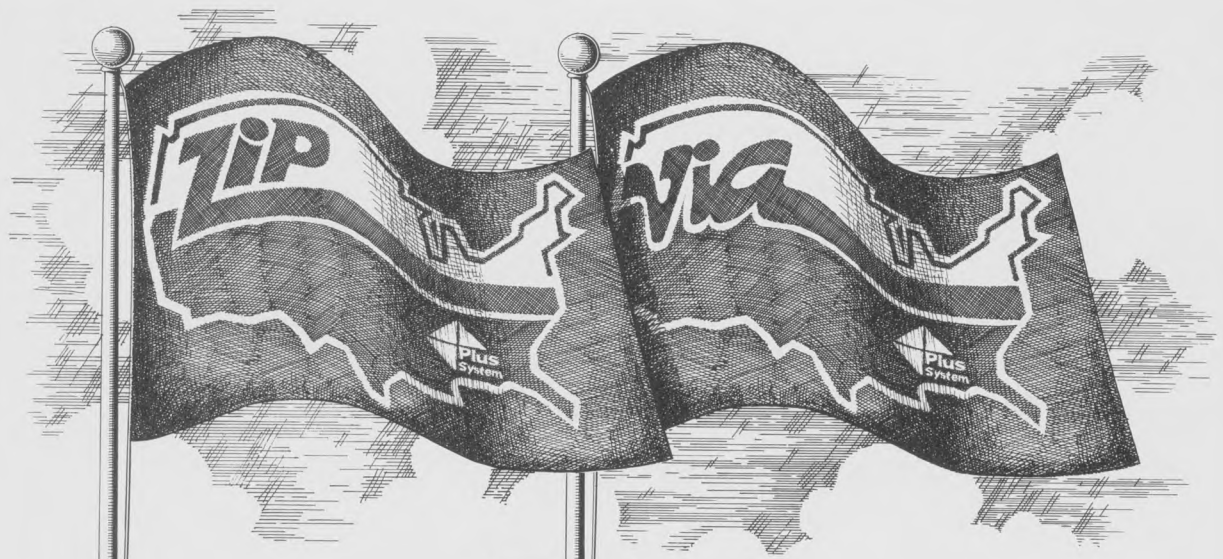
intern program was one of the rare exceptions, he said. "There were almost no snags at all," he said.

Students also seemed to be pleased with the program. Jeff Elm, an Oklahoma City senior majoring in finance, said that participating in the program had fulfilled a life-long dream. He said that despite his long-held dream of working in a bank, he had not had an opportunity to do so until this summer.

"It gave me a really good look at what goes on inside a bank," he said. "I found out that it's not just a place to deposit your money, but that there are some real opportunities for people in banking," Mr. Elm said.

Mr. Elm spent his summer working at First State, Hinton, where he worked in various departments with a variety of officers. His first exposure to the realm of banking was in the real-estate loan department, where he began by reviewing documentation and ended up redesigning the bank's





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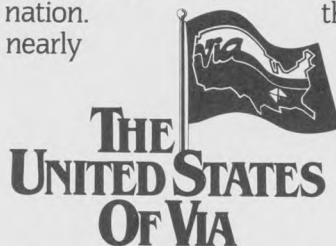
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approximately 200 bank employees. Mr. Wilson was told by his high-school counselors to seek an accounting career, but now he's leaning toward banking as a career.

At Bank of Commerce, Tulsa, Leshia McKay spent her summer studying potential sites for future branches and after her in-depth report, the bank's management committee accepted her recommendations. Other students participating in the program were: Margaret Ray and Julie Heath, Tulsa; Kelly Thompson and Lauri Thompson, Ada; and Todd Brown and Preston Butler, Lawton.

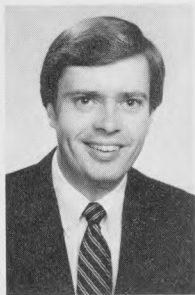
Other participating banks were: Nichols Hills Bank, Oklahoma City; Oklahoma City Branch of the Kansas City Fed; Fourth National, Tulsa; Citizens Bank, Lawton; and First National, Frederick.

Max Cook, the OBA's vice president/membership services, said that five of the 11 students in the program received job offers from the banks for which they worked. All 10 banks plan to participate next summer, and Mr. Cook said if the program can be expanded to another 10 banks this fall, the University of Oklahoma students will be included as well. ●●

## Dropping Branch Managers Cuts Costs, Stimulates Sales for Indiana Bank

**M**AKING large-scale changes in the organizational structure of a 130-year-old financial institution with deeply ingrained traditions is akin to taking a massive, ocean-going ship in dangerous waters.

The \$280-million Purdue National in Lafayette, Ind., has successfully accomplished an about-face and already is reaping rewards as it steams along on a new course.



ADAMSON

"We've met or exceeded our sales goals, our expense-reduction goals and our service goals," says J. Douglas Adamson, senior vice president/retail banking at Purdue National.

Managers and assistant managers at Purdue National's 10 branches until recently did what branch managers and assistant managers at most other banks do. They were required to supervise tellers, handle a variety of other administrative duties and be sales persons in their spare time. The total mix of responsibilities was not very compatible, Mr. Adamson says.

Managerial and assistant managerial positions at Purdue National's branches have been eliminated. In place of the branch managers, customer-service supervisors spend time handling some of the administrative duties formerly handled by branch managers. Other managerial functions, such as

handling complicated customer problems, have been centralized back at the main office, says Mr. Adamson.

The six-month-old system not only has resulted in cost reductions through personnel cuts and productivity gains, but in a more aggressive sales approach at the branch level. Customer-account representatives serve as salespersons for the bank's services and like most sales personnel, they are paid on a commission basis.

The results have been dramatic. Services sold per customer contact have gone from 1.12 to two since the introduction of the new system.

But in Mr. Adamson's opinion, the most heartening aspect of the transition has been how positively customers have responded to the perceived increased level of service they are receiving from branch personnel. Most of the talent for the new sales-oriented branch positions came from within, he says.

Notice of the new openings was posted in bank offices. Volunteers' psychological makeup was tested prior to selection of personnel to fill the customer-service positions. In almost all cases, managers and assistant managers were retrained for other duties within the organization. In fact, some former branch managers are now business counselors who work out of the main office. They call on business people in the Lafayette-West Lafayette area to make them aware of Purdue National's new product offerings and to consult on business problems.

Not all productivity gains Purdue National has experienced are attributable directly to the new system, Mr. Adamson says. The gains partially may be explained by normal increases in productivity that stem from the enthu-

siasm people tend to bring to new jobs. "Our challenge," says Mr. Adamson, "is to maintain that level of enthusiasm."

Mr. Adamson says he does not advocate that all banks adopt Purdue National's approach of letting personnel at the branch level concentrate on selling/servicing while main-office personnel handle the more complicated, less routine chores customers expect of banks. The close proximity of Purdue National's branches helped to make the project more viable, he says. A bank with branches spread over a larger, more diverse geographic area might have more difficulty getting such a system to work, he says.

Before committing the bank to the new system, Mr. Adamson and others at Purdue National spent over 18 months in researching and planning. Even so, the transition was not accomplished without strains within the organization.

In retrospect, the strains were not as bad as they seemed at the time nor as bad as they could have been, Mr. Adamson says. Yet if he were starting the implementation phase of the program again, he probably would spend more time on communicating the rationale for the change and on getting employees to accept it.

When people have been doing things the same way for years and have had the same psychological outlook, bringing about change can be difficult, he says.

But having turned the corner on its cost-reduction/market-expansion program, Purdue National is steaming ahead toward other planned changes.

Among items next on the agenda are phones at branches for customers to use to call in questions directly to the main office and integration of trust operations with retail-banking operations. — **John L. Cleveland, assistant to the publisher.**

### Fourth of July Annual Event Off and Running in Kansas

Haysville (Kan.) State kicked off the Fourth of July weekend with a bang — made by the starting gun for the bank's first annual Pioneer Days Run.

The two-mile race drew 135 participants and launched a weekend of community festivities. Five runners finished in less than 10 minutes. Medals were awarded to the top three men and women finishers in six age groups.

First-place finishers received gift certificates for running shoes from a local sporting-goods shop. Drawings also were held for various items and services from area merchants.

## 'Penny for Your Thoughts' Program Benefits Charities

Five different Little Rock charities received contributions of \$1,000 each from First Commercial Bank, Little Rock, after cards bearing their names were drawn from among thousands of other cards with the names of nearly 100 "favorite" charities suggested by "Penny-for-Your-Thoughts" program participants.

In a companion program, names of four First Commercial employees were drawn during the first week the new bank, created by the merger of First National and Commercial National, was open to the public. Checks for \$500 were given to each of the four winning employees' designated charities.

Joy Greer, vice president of the bank, said the "Penny-for-Your-Thoughts" promotion — during which Little Rock residents were asked to suggest names of their favorite charities — was well received by the public. Many people made constructive comments about the operation of the newly formed institution and there were even more nostalgic and complimentary comments about the two institutions that were the forerunners of First Commercial, she said.

"The bank has inherited a rich tradition of community service and support," she said. "This promotion made use of combined bank resources for the organizations considered by our customers (to be) most deserving."

All of the nearly 100 charities suggested by the public were "deemed worthy and significant to improving the life-style of our people," said Ms. Greer, but the winning suggestions were Our Way, Inc., Arkansas Opera Theater, the Pulaski County Humane Society, the Salvation Army and Rape Crisis, Inc. The awards were presented by First Commercial Chairman William H. Bowen at a media-covered ceremony at the Top of the Tree, Jacques and Suzanne Restaurant, Little Rock. The \$500 checks to charities designated by the four employees also were presented at the noon ceremony.

Winning charities suggested by employees were the Concord Baptist Church, the Ward Chapel A.M.E. Church, St. Teresa's Booster Club and the Junior Deputy Baseball program.

The merger of the two downtown Little Rock banks, both with assets of around \$500 million, became official August 1. The billion-dollar-asset bank created by the merger still is in the process of consolidating operations of First National and Commercial National.

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## Executive Demand Down in Financial Sector

**F**INANCIAL-services companies sought more senior executives during the second quarter than any other industry, although demand dropped 16% compared to a year ago, says the 46th quarterly National Index of Executive Vacancies compiled by Korn/Ferry International, New York City.

Financial-services companies accounted for 24% of total national executive demand during the second quarter of 1983, compared with 28% in the same 1982 period.

"The drop in executive demand is due to large commercial banks holding down personnel costs," says Windle B. Priem, managing director of Korn/Ferry's financial-services division. Large financial institutions have halted senior-management expansion because of anticipated loan losses, he adds.

"However, we expect renewed hiring in the third and fourth quarters as the economy continues to strengthen and competition heats up," Mr. Priem

notes. The index also predicts a trend indicating the return of demand for \$60,000 and \$90,000 middle-management positions, particularly in marketing and financial-analysis posts. "It's a clear signal that the recession is over," says Mr. Priem.

In addition, the index revealed that national executive hiring rose 6% during the second quarter of 1983 compared to a year ago, with demand in June the strongest in two years.

"Although the national recovery is still in its infancy, this level of rising executive demand points to a period of moderate and sustainable economic growth," says Lester B. Korn, chairman. "At the international level, demand for executives rose a dramatic 17%, a very optimistic sign of returning health in the world economy.

"The reduction of senior staff positions in the U. S. has run its course in most industries, and corporations are beginning to fill long-vacant executive positions. The recovery we predicted two quarters ago is definitely under-

way," he emphasizes.

Although he predicts that senior-level executives will fill some middle-management positions that were eliminated during the recession, he believes U. S. corporate leaders will "continue to exercise caution because they fear the return of high interest rates."

The index is based on a quarterly survey of Korn/Ferry International's 750 clients who are among the nation's largest corporations, and nonprofit organizations including government agencies, universities and cultural institutions. The index records hiring of executives earning \$75,000 or more annually. ●●

### Banks Must Improve Wages To Compete, Article Says

Providing competitive salaries and benefits to attract quality personnel is not an expense but a sorely needed investment within the banking community, writes Dr. Robert O. Metzger in the spring, 1983, edition of the *Journal of Retail Banking*.

Dr. Metzger, CEO of a national bank consulting firm, notes that when compared to the managerial, technical and clerical salary figures in other industries, bank salaries are, in some cases, lower by 50%. That discrepancy cannot continue to exist if banks are to survive in today's highly competitive environment, he insists.

The article by Dr. Metzger, titled "Bank Compensation: the Next Major Change Force by Deregulation," suggests the following remedies:

- A change in attitude among senior bank managers and their boards to recognize that compensating productive people is not an expense but an investment.
- A more flexible organizational structure that allows technicians and specialists to be compensated competitively through dual- or multiple-career paths and salary grades.
- Development of fringe benefits such as open-ended commissions, bonuses and profit-sharing programs.

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# Employee Stock-Distribution Plan Instituted by Bank in Florida

**R**EPUBLIC BANK, Clearwater, Fla., has announced that its shares will be distributed free of cost to all bank employees, an action that is said to make the bank the first such institution in the U. S. to be wholly owned by its employees, officers and directors.

In addition, a new corporate giving plan was announced in which 10% of after-tax profits will be donated annually to community, educational and charitable institutions. Last year, the bank earned \$540,000 on year-end assets of \$48 million. The bank's board has budgeted \$54,000 for distribution to worthy community endeavors in 1983.

"We believe the stock-compensation plan will foster growth and promote increased productivity among employees," said Charles Rutenberg, chairman/CEO. "The new giving program is our way of saying thanks to the community that has made our success possible. As corporate citizens, we feel a deep responsibility to put back into the worthy causes of our community a part of what we have reaped from our efforts."

## Trust Industry in Transition Theme of BMA Conference

"The Trust Industry in Transition" will be the theme of the 12th annual trust and personal financial services marketing conference of the Bank Marketing Association November 13-16 at the Fairmont Hotel, Dallas.

The program will stress strategic planning, product development and sales through a series of general sessions, workshops and early morning "dawn dusters."

Richard M. Rosenberg, vice chairman, Wells Fargo Bank, San Francisco, will keynote the conference, discussing "The Emerging Financial Services Industry — Where Do We Go From Here?" Other speakers include G. Lynn Shostack, senior vice president, Bankers Trust, New York City; Martin E. Lybecker, an attorney with Washington, D.C.-based Drinker Biddle & Reath; and Joyce A. Healy, senior vice president, Manufacturers Hanover Trust, New York City.

A panel discussion will focus on "Sales: Meeting the Challenge of Traditional and Non-Traditional Financial Services Competitors."

A total of 490 shares of common capital stock will be given to employees based on seniority and job ranking in the first stock distribution. The plan will include a cash bonus of \$13.70 per share to cover federal income tax due on the share. The distribution represents \$18,130 of present book value in stock plus \$3,626 in cash for withholding taxes. The plan will affect 66 employees in the bank's seven branches.

The stock-distribution plan is intended to be an ongoing one and stock with a value of about \$1 million is expected to be distributed over a 10-year period. Florida regulators have approved the plan.

Shares are not transferrable and revert to the bank for subsequent issuance on the death or termination of the employee stockholder.

Bank President David Dunbar called the plan "highly innovative." He said he believes it will be helpful to the bank's growth and the well-being of the bank's service area. ●●

## School Campus Beautified By Bank's Donations

The Epic School in Birmingham, Ala., was built four years ago, but its campus was never landscaped due to lack of funds.

SouthTrust Bank, Birmingham, decided to fund a landscaping plan and the bank's employees volunteered to do the necessary work to plant the trees and shrubs according to a landscaping plan donated by a local nursery/landscape firm.

The school is unique in that it brings together 540 students, half of whom are typical and half atypical, ranging from various mental and physical disabilities to gifted. The student body represents about 20 different nationalities.

W. F. Warren, president, SouthTrust Bank, was the first employee to volunteer for the project. "As part of the business community, SouthTrust Bank pays its civic rent through its involvement in numerous worthwhile projects," he said. "We're just being a good neighbor to Epic by providing some 'sprucing up' to one of the favorite attractions for our city's VIP visitors."

The school attracts visitors from across the nation because of its innovative curriculum and success.

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# To Not Decide Is to Decide

**T**HOSE SIX simple words sum up the political dilemma bankers face today. After many years of having little choice in determining the direction of their business, bankers may soon be granted an opportunity in Washington to help redefine what banking is. Furthermore, the chances of that opportunity arising increase dramatically if the banking community were to decide to decide. Yet, the failure to grasp that opportunity soon also would be decisive, because it would shape banking for years to come.

For bankers, this political equation is made up completely of unknowns.

How did it come to this? Although familiar, the story bears repeating, if only to show how unique and fragile the present opportunity is.

Several years ago, there was a revolution in popular sentiment, a revulsion against what "Washington" represented. For almost 50 years, politics and government had been used as tools in an effort to solve problems in society and in the economy. It was an almost sudden recognition that the tools were inappropriate to the tasks that brought about the change in the popular will. President Reagan didn't create that change; he recognized it had happened and won office by promising to reduce "Washington's" presence in the daily lives of people.

A new Administration — a new power establishment — arrived in Washington as a result of the revolution. Our system of government, however, could not act quickly to respond to the change. The system was constructed

*This column was written by Phil Battey of the ABA's public relations division.*

for stability, not for speed. However, the important factor to note was that, for the first time in a long while, there were people in the most responsible positions of government who had an understanding of how the business of banking worked and who were willing to consider changes in the regulatory structure to make banking work better.

Just as the general public recognized that government was an inappropriate tool for solving all the nation's problems, members of the power establishment recognized that the market was reconstructing the financial-services industry and that, in that process, the heavily regulated banking industry was at a disadvantage.

Over the past two years, the Reagan Administration has developed and refined legislation that would erase much of this disadvantage by allowing banking to tap new sources of earning through new powers — powers that also would put banking more on par with activities of other financial-service providers.

At this stage of the process, the support behind this legislation comes from a handful of institutions and individuals and it has yet to generate political momentum. Indeed, supporters now are trying to build the political momentum that would carry the new powers legislation through the legislative maze.

That is not to say that the supporters are not powerful or important — the Administration, the chairman of the Senate Banking Committee and federal regulators are pressing for consideration. But lacking political momentum, the legislation is just one of many

proposals Congress has before it. The only place momentum can arise is in the banking community.

On the other hand, there is strong political momentum growing in the camp opposing the legislation. Those interests that oppose do so primarily on the grounds of turf; they hope to keep banks from competing in their own lines of business, having already entered banking to skim off the more profitable business there. These interests — securities conglomerates, insurance empires and others — have representatives or agents in every congressional district. Thus, they have enormous lobbying potential.

In theory, one could argue that banking's competitive problems would be solved by rolling back nonbank entry into the business. That approach, however, would be politically impossible. Congress recognizes that it could never take away gains nonbanks have made without individual legislators suffering severe political consequences.

Thus, the only realistic choices open for congressional consideration are to enact legislation such as the Administration has proposed to enlarge bank powers or to do nothing. Congress, as it has proved many times, would prefer to do nothing. Given the latter course, market forces would continue to deregulate banking and the financial-services industry, but by fits and starts with no assurance that banking would be able to catch up to its competitors in time to, at least, maintain its position.

Almost all bankers realize that, should the status quo continue, banking would face a dead end down the road. Because the gap between cost of funds and return on assets in the traditional banking business has narrowed so dramatically in recent years, new sources of earnings eventually must be found.

When looking at the Administration's proposals, however, the individual banker is asking himself three questions. Do they grant the new powers I need to be successful in my particular market situation? Is that politically viable — is it asking for too much — to press for the new powers I need along with powers that I don't, but which might be necessary to other banks? And, finally, how much time can I wait until almost any new power

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This 64-page booklet provides some workable agenda, suggestions for advance planning and also lists types of reports a board should receive monthly and periodically. It emphasizes the need for informing the board as *quickly* and concisely as possible. Contains a chapter outlining a "workable" board meeting, another on visual aids for the board meeting. Also contains a model for minutes of the board, plus sample forms to communicate status of bank to the board. An excellent "companion" to BOARD REPORTS. Author: Dr. Lewis E. Davids.

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Before your next shareholder meeting, get ready for gadflies, activists and others who may be planning to disrupt your program. Here's how to anticipate damaging incidents, prepare tested countermeasures, turn potential disasters into a plus for your bank. Details include handling of unusual actions (such as replacing a CEO) — political contributions, laws and regulations directors may unwittingly break, stock purchases, sales and disclosures, proxy provisions, etc. A checklist of meeting details. Promoting attendance. Stockholder proposals. Materials to mail. Agenda and procedural rules. This book is a tested "how-to" of Annual Meetings from inception to final reports, including personnel responsible for each step. 96 pages of "must" reading for chairmen, directors and officers involved.

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This book is "right" for today's banking problems. Due to the economic influence banks have on their communities, the rapid growth of HCs and the ever-growing "consumer" movement, directors must know what is expected of them and their bank in terms of responsibilities to depositors, shareholders and the public. This manual examines recent court decisions, investment return, continuity of management, long-range planning, effects of structural changes on competition, and more. Author: Raymond Van Houtte, president, Tompkins County Trust Co., Ithica, NY.

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would be too little, too late.

While the legislation was not drafted by bankers, there is clearly a sufficient number of new powers in it to benefit bankers everywhere. And, to build the political momentum necessary to give it a shot for passage, bankers must press for benefits for their colleagues as well as themselves as individuals. The question of timing, however, is much more difficult to answer, and herein lies the trap.

There are several good reasons for speed.

One is that the public could, again, suddenly change its stance toward Washington, returning to government an activist mandate. Another is that next year is an election year, and no one can be certain what its results will mean for the deregulatory climate. A third is that, because next year is an election year, the opposing camp is sure that time is on its side. As lawmakers transform themselves into candidates, the possibility of their interest in substantive legislation is sure to decline.

The legislation's fate, then, is in the hands of bankers.

If bankers want to make a go at it — and communicate that intention soon — the pieces are in place for a serious bid.

If bankers don't want to make a go, then the legislation will go nowhere. Indecision in this case would represent a solid "no" vote.

To not decide is to decide. ●●

### Storm-Victim Relief Loans

Relief for north-Houston-area property owners whose homes were damaged by recent storms is being offered by First City Bank-North Belt and First City Bank-Northchase.

The banks are offering low-interest-rate property-improvement loans to storm victims. The two institutions will provide loans of up to \$4,000 for periods of up to three years at a below-market 12¼% rate.

## ABA Suggests Sample Statements On Funds-Availability Policies

**T**HE ABA is offering bankers sample policy and customer-disclosure statements on funds-availability policies that it believes will reduce customer confusion concerning the time required by financial institutions to make funds available on deposited checks.

In letters to ABA member banks explaining the sample statements, ABA President William H. Kennedy Jr. noted that there is heightened legislative and regulatory concern over delayed availability of consumer funds. A March, 1983, bulletin of the San Francisco Fed indicates that the process can easily take 10 to 15 business days.

This concern has spawned pressure at both federal and state levels for legislation to force disclosures of funds-availability policies and/or require that funds be made uniformly available within a rigid time frame, says Mr. Kennedy, who is chairman, National Bank of Commerce, Pine Bluff, Ark.

"We believe strongly that no uniform, nationwide policy could be made to work. However, if each bank made clear its own necessary policies in statements to its customers and employees, the suspicions surrounding the matter of funds availability could be cleared away to a large extent," he says.

The policy statement is designed to be used by bankers as a basis for developing their own written "hold" policies and for communicating those policies to customers and employees. It suggests that customers be informed of the bank's hold policy at the time an account is opened and that tellers inform customers of the applicability and duration of a hold at the time a deposit

is made on which a hold is placed.

The sample-disclosure statement notes that "When you deposit a check drawn on another bank, there is always a time delay before the check reaches the bank on which it was drawn and payment is received. Our policy is to provide the earliest realistic availability of funds on deposited items. But we must reserve the right to place a hold for the amount of the check you deposit until we have collected those funds."

Five reasons for a bank to place a hold on a deposited check are identified, and the statement also suggests that tellers inform customers that a "hold" has been placed on a deposited check and the estimated time it takes for the check to be paid.

The ABA and the Fed are working together to speed the process for the return of checks, says Richard Kirk, chairman of the ABA's delayed-availability task force and president, United Bank, Denver. ●●

### Hurd Family Exhibition Held at Tulsa Bank

Works of Peter Hurd, one of the nation's most renowned Southwest artists, were featured at a Republic Bank, Tulsa, exhibit in September titled, "The Hurd Family: Two Generations of American Art."

Paintings by Henriette Wyeth, Mr. Hurd's wife and the daughter of famous illustrator N. C. Wyeth, and those of her and Mr. Hurd's children, Michael Hurd and Carol Hurd Rogers, also were displayed during the five-day exhibit.

"We're delighted to be able to bring an exhibit of such magnitude to Tulsa," said Hal W. Oswalt, Republic president. "Tulsans have long been supporters of the arts and especially of southwestern artists."

Peter Rogers, grandson of Peter and Henriette Wyeth Hurd, worked with Republic to bring the works of his family to the bank. He was on hand throughout the exhibit to answer questions.

"The Three Horsemen," an original watercolor painted in 1975 — Peter Hurd's last completed painting — and "Honeymoon Cabin," one of Mr. Hurd's rare works in oil, were included in the display.

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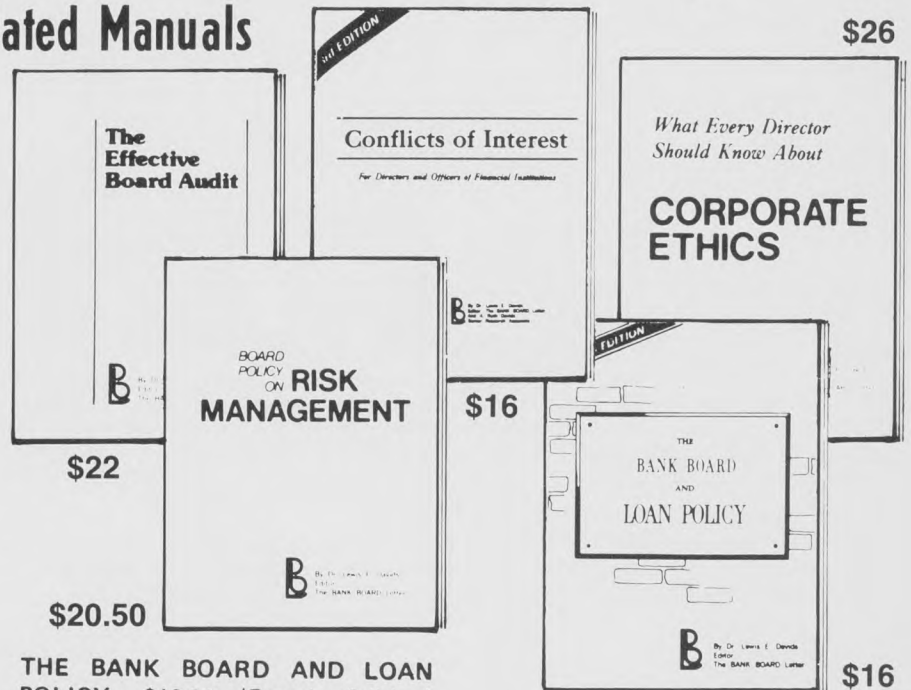
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**THE BANK BOARD AND LOAN POLICY. \$16.00.** (Fourth Edition) Recently off the press! This revised and expanded manual enables directors to be a step ahead of bank regulators by providing current loan and credit policies of numerous well-managed banks. These policies, adaptable to any bank situation, can aid your bank in establishing broad guidelines for lending officers. *Bonus feature:* Loan policy of one of the nation's major banks, loaded with ideas for your bank! Remember: A written loan policy can protect directors from lawsuits arising from failure to establish sound lending policies! Order enough copies for all your directors!

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**CONFLICTS OF INTEREST. \$16.00.** (Third Edition) Conflicts of Interests presents everything directors and officers should know about the problem of "conflicts." It gives examiners' views of directors' business relationships with the bank, examines ethical pitfalls involving conflicts and details positive actions for reducing the potential for conflicts. Also included is the Comptroller's ruling on statements of business interests and sample conflict-of-interest policies in use by other banks which can be adapted by your board.

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## Help for High School Given by NYC Bank In Special Program

New York City's Manufacturers Hanover Trust (MHT) is the first bank to take part in the NYC Board of Education's "Join a School" program.

MHT will provide funds and other forms of assistance to Brooklyn's John Jay High School over the next year, supporting various new school projects, including programs in the performing arts, intramural sports and business readiness. Bank personnel are being utilized. The first project established by the bank was a performing-arts center.

A budget has been set aside for the financing aspect of the bank's role, and MHT officers are involved actively in planning and executing the programs. They are working closely with the 3,400-student high school's administration, the Board of Education and the NYC schools' chancellor.

The bank took on its commitment to the fledgling "Join a School" program shortly before the current school year began. MHT officers already have become familiar sights in John Jay High, discussing the program with student groups and meeting with the school's administration. The first outgrowth of the partnership was the new performing arts center's presentation of the musical, "The Wiz." The performing-arts-center program was arranged to involve a large number of students.

There's much more to this program than simply handing over funds, according to John M. Leonard, MHT's vice president/urban affairs. "Just using the bank's funds," he continues, "wouldn't have made us a 'partner' with the school. This way, we have opportunities to use our resources of people and ideas to help enrich the student life at the school."

Similar programs, under the title "Adopt a School," have been set up in school districts around the nation.

### Bank Observes Anniversary By Funding Cheetah Exhibit

A gift from First National, Albuquerque, is enabling the city's Rio Grande Zoo to build one of the nation's finest exhibits for live cheetahs. The gift of \$50,000 will cover construction costs for the exhibit.

The zoo gift commemorates the bank's 50th anniversary. The bank in-



A six-year-old cheetah poses with its trainer while J. Larry Carter, pres., First Nat'l, Albuquerque, announces bank's gift of \$50,000 to construct new cheetah exhibit at Rio Grande Zoo. Gift commemorates bank's 50th anniversary.

vided a committee of community leaders to make suggestions for a gift for the city that would be appreciated most by its citizens.

"We have become the second largest bank in Albuquerque only through the support and trust of the people we serve," said J. Larry Carter, bank president/CEO. "We are making this gift to show our appreciation to the community where we have been doing business for 50 years."

### Bank Gives Nonprofit Groups Effective Way To Raise Funds

During August, Liberty National, Oklahoma City, provided nonprofit organizations with a fund-raising project that in only four years netted nearly half a million dollars for 1,000 groups in Oklahoma.

The bank gave groups the opportunity to sell Gold C Values Coupon Books with money-saving offers totaling more than \$2,000 from 150 separate merchants in the Oklahoma City



Wayne Herrington of Choctaw Boy Scout troop 275 supervises as Brady Farr and Keith Hall load Gold C Coupon Books into his car in parking lot of Liberty Nat'l, Oklahoma City.

area.

The groups received 50% of each \$6 book sold and also could earn cash and merchandise prizes from Liberty and Gold C Values, said Willis Wheat, the bank's executive vice president.

### Program Trains Clerical Help For 'Big Apple' Banking Jobs

Morgan Guaranty Trust Co., New York City, along with several other business, labor and government institutions, helped launch a clerical training program for the city's unemployed that addresses specific banking-industry needs.

The Financial Industry Training Program, under the direction of the New York City Employment Committee, is designed to ready people for entry-level positions such as cashiers, processing clerks and other back-office positions.

The program trained nearly 250 people last summer. They spent six weeks learning fundamentals, such as financial-market structure and securities processing.

A local labor leader lauded the program and Morgan's "sensitivity to the city's unemployed."

Lewis T. Preston, chairman of Morgan and co-chairman of the city's employment committee, says the bank first became involved in job-training projects in 1979 with the establishment of the New York Private Industry Council, a nonprofit organization formed under the Comprehensive Employment and Training Act.

Two more training sessions are planned through January, 1984. The program will be expanded to serve the real estate, advertising and hotel/motel industry.

### Retail Banking Conf. April 8-22 in NYC

The ABA's second national retail banking conference will be held April 8-11 at the New York Hilton Hotel, New York City.

"The 1984 ABA national retail banking conference will be structured around market lines and directed to a multi-disciplined audience," said George E. Kilguss Jr., conference chairman. "The attending banker will have the opportunity to learn the competitive strategies that will enable his bank to increase or maintain market share. Mr. Kilguss is senior vice president, Citizens Bank, Providence, R. I."



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## Record Center

(Continued from page 30)

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tainer is removed from its storage location and a copy of the request form is clipped to the shelving as a reminder that the container has been removed temporarily. One copy of the request form is filed and one copy is returned to the requesting department with the records. Records are delivered to bank offices three days a week, but urgent requests are handled immediately. Retrievals for out-of-town branches usually can be handled over the phone in a few minutes, or a photocopy of the record can be mailed to the branch.

Deposit Guaranty's record center stores about 10,000 containers or 11,600 cubic feet of hard copy records and a limited amount of microfilm and microfiche. A staff of two handles all storage, retrieval, microfilming and record destruction, so the record cen-

manently.

DGNB's record officer works with departments to develop retention schedules, using the reference manual "Guide to Information Retention for Financial Institutions" as a basis. The guide, published last year by Southern Vital, gives step-by-step instructions for developing retention schedules as well as retention periods required by federal and state statutes and regulations. Once a departmental retention schedule is written, it must be reviewed and approved by DGNB's auditing and legal staffs.

Record-center personnel are helping each of the bank's branches in 23 Mississippi communities organize their records by DGNB's system so that, when the branches no longer need certain records, they can be sent to the record center for storage. As Deposit Guaranty expands its system through mergers, it's assisting new state banks in the development of compatible record-keeping systems.

Management support has been a key



**Jim Mayo, v.p. at Deposit Guaranty Nat'l, and Debbie Fisher, research analyst, Southern Vital Record Center, review record-retention laws and scheduling procedures outlined in "Guide to Information Retention for Financial Institutions," published by Southern Vital Record.**

ter is inexpensive to operate. Documents that are microfilmed usually are those that need to be retained permanently or for an extended period. Because the record center has ample storage space, little microfilming is performed. Increased microfilming is anticipated during the next five to 10 years as the record center fills up. As many as 2,000 new containers are received each year and containers are destroyed as they come due. In 1984, the bank expects to destroy approximately 1,500 containers of outdated records.

A few problems still need to be resolved. Some areas are slow to write departmental-retention schedules, but this problem has been almost eliminated since no records are accepted unless a retention schedule has been developed. Without such a schedule to document when a department's records can be destroyed, affected records would have to be retained per-

factor in the development, implementation and successful operation of the record center. In particular, John P. Maloney, chairman/CEO, and E. B. Robinson Jr., president/chief operating officer, as well as others, provide ongoing support for the program. And professionals at Southern Vital still offer advice, assistance and expertise to ensure record-center effectiveness.

The record center is a critical support area to the operation of our institution. We expect the program will continue to improve efficiency and productivity throughout the Deposit Guaranty system. ●●

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## Banking Scene

(Continued from page 6)

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We must recognize that as S&Ls, credit unions, mutual savings banks and other organizations take on the panoply of commercial banks, they should have the same standards applied to them as are applied to commercial banks.

It formerly was said that single-purpose institutions were much simpler to operate and supervise than the more complex commercial bank and that may once have been true. Today, however, holding companies of other types of financial institutions are bringing together such diverse elements as discount brokerages, insurance sales and operations, travel agencies, data-processing service bureaus, consulting-management organizations, electronic-fund-clearing systems and in-home banking. Just as bank holding companies have become increasingly complex, holding companies of non-bank financial institutions have grown in complexity.

Will the financial examiners of tomorrow have the skills they need to properly examine the ever more difficult-to-analyze financial entities that are evolving?

The recent collapse of a significant financial empire in Tennessee involving federally examined insurance companies, finance companies, national banks, state-chartered banks and member banks demonstrates how imperative uniform, coordinated, astute, professional state and federal supervision of financial institutions has become. So far, we have not gotten supervision of the quality we need. ●●

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The "Encyclopedia of Banking and Finance" eighth edition has been released by Bankers Publishing Co., the first revision in the comprehensive reference text in a decade. Nearly 4,000 entries cover banking, business and investment topics with extensive cross-references to related terms and regulatory and legal considerations. Professor F. L. Garcia, B.S., M.A., J.D. and LL.M., chairman of the Department of Finance at Fordham University, edited the latest edition of the encyclopedia. He has been in charge of editing the encyclopedia for over half the 60 years it has been published. Copies may be ordered for \$89 through a wholesaler or directly from Bankers Publishing Co., 210 South St., Boston, MA 02111.

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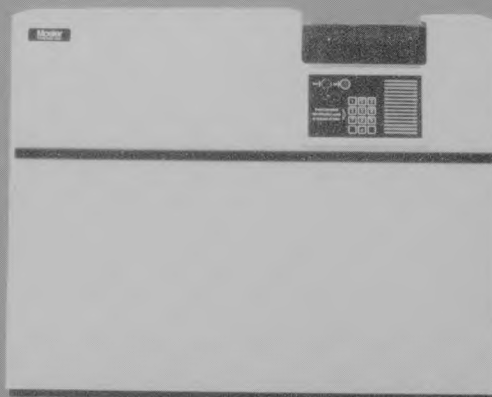
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Hamilton, Ohio 45012

## Retail Banking Deposit/Credit Trends Sketched by ABA Annual Reports

**D**ESPITE obstacles such as customer resistance, servicing costs and state usury ceilings, consumer awareness of variable-rate loans is on the upswing and banks are more interested in offering them, according to one of two new reports available from the consumer financial services group of the ABA.

In the first quarter of 1983, more than 12% of mid-size banks offered variable-rate loans — up from less than 6% in 1982 — and the percentage of large banks offering them grew from 10.3% to 17.8% in 1983, the “ABA Retail Bank Credit Report” says.

The “ABA Retail Deposit Services Report” cites expansion of automated services, market segmentation and product and service re-pricing and redesign as strategies banks will be following to meet today’s competitive challenges.

Many of the developments reported by the two annual retail-banking surveys reflect discussions at this year’s first ABA National Retail Banking Conference in Atlanta last April. At peer-group sessions at the 1983 conference — before the two retail surveys had been tabulated and reported — bankers agreed that loan and deposit maturities must be better matched for profitability. They also predicted that variable-rate lending would become more prevalent now that rates paid on all time deposits fluctuate with the market. The ABA credit report says that despite the obstacles to the spread of variable-rate lending, a significant proportion of mid-size and large banks — 23% and 30%, respectively — acquired new computer software to accommodate processing of variable-rate loans.

The ABA deposit-services report says that nearly all banks now are offering money-market deposit accounts and almost nine out of 10 offer super-NOW accounts. On average, slightly more than two thirds of the funds deposited into these accounts at the banks surveyed came from interest-bearing accounts within the same bank.

Among other findings included in the two reports:

- Banks held slightly more than 44% of all consumer installment debt in 1982, amounting to \$344.8 billion, and extended 46% of new loan volume in 1982 — up 2% from 1981.

- Average size of an installment loan in 1982 increased to \$5,521. Student loans and second-mortgage loans partially accounted for the rise, and the average size of a direct auto loan was up from \$5,097 in 1981 to \$5,397 in 1982.

- Overall average consumer loan loss based on outstandings was .67% for all loan types, 1.26% on a volume basis and 1.28% based on liquidation.

- Despite record fraud losses in 1982, bank card operations are returning to profitable status, with more than 70% of all banks reporting profits on Visa and MasterCard operations last year. More than half of all banks surveyed indicated they would promote credit cards in 1983.

- Retail package plans have grown in popularity over the year among larger banks. Single monthly fee, multiple-service packages were offered by 44% of large banks in 1982 — up from 34% the previous year — and 27% of community banks with \$100 million or less in deposits.

- Deregulation is driving up bank costs and forcing re-pricing of services. Large banks are the most likely to charge for services like stop-payment orders and depositing bad checks. Services for which community banks are most likely to charge are check cashing for non-customers and notary public service. Most banks are charging fees on savings accounts, but 8% of all retail transaction accounts are still free to the customer.

- Nearly two-thirds of all bank IRAs are fixed-rate accounts, 17% are variable rate with no ceiling/minimum and 12% are variable rate with a minimum interest-rate payment guaranteed. The remainder primarily consist of variable-rate accounts with a fixed upper ceiling. Fixed-rate IRAs are divided almost evenly between those with 18-month maturities and those maturing in 30 months.

A representative national bank sampling is done annually by the ABA consumer financial services group, with 528 banks responding to this year’s credit survey and 480 to the deposit-services survey.

Detailed tables of the two surveys’ results are presented within five categories of bank size and by geographic region. A management summary is included in each report.

Both reports may be ordered for \$35

(\$52.50 for non-members) from Order Processing, ABA, 1120 Connecticut Ave., N.W., Washington, DC, 20036. The credit report is listed under stock number 201000 and the deposit-services report under 201100.

## New Bank Program Helps Customers Save on Phone Bills

Certain customers of Louisville’s Citizens Fidelity will be able to save on long-distance calls, thanks to a new program introduced recently by the bank. In conjunction with TelaMarketing Communications, Inc. (TMC), a telephone-services firm headquartered in Tampa, Fla., Citizens Fidelity offers long-distance service to customers with checking or money-market-investment accounts.

With the new service, customers calling from the free calling area of Louisville have the ability to save up to 40% on their long-distance phone bills. The service provides customers with the same quality long-distance phone service they have been receiving with the Bell System, but now with the enhancement of a WATS service.

The service allows customers to call anywhere in the continental U. S., except where prohibited by intrastate regulations, and talk as long as they want during the following hours: weekdays, 6 p.m. through 8 a.m.; weekends, 6 p.m. Friday through 8 a.m. Monday, and major holidays, 6 p.m. the night before until 8 a.m. the day following the holiday.

To use the service, customers need a Touch-Tone® phone, although a standard rotary-dial phone may be used if an adapter is purchased. TelaMarketing Communications issues customers an access number and personal security code, as well as a universal access number so calls made outside the local area can be billed to their TMC accounts.

The monthly membership fee and charges for long-distance calls are deducted automatically from a customer’s account. TMC provides customers with monthly statements of their long-distance calls and membership fee 10-15 days prior to the accounts being debited.

Citizens Fidelity has the exclusive right to offer this service to its customer accounts and to financial entities in Kentucky and southern Indiana. In the future, the bank will help various financial institutions provide telephone service to those institutions’ customers.

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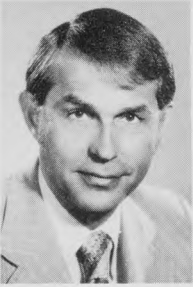
With growth has come industry recognition. InnerLine has won the endorsement of the Independent Bankers Association of America and has been named "product of the year" by the Associated Information Managers.

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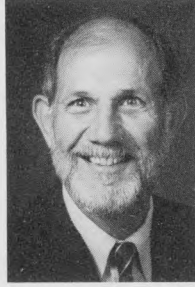
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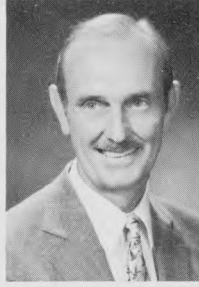
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**William F. Ford** left the presidency of the Atlanta Fed October 1 to join First Nationwide Financial Corp. and its wholly owned subsidiary, First Nationwide Savings, both in San Francisco. Mr. Ford now is president/chief operating officer of both. Mr. Ford joined the Atlanta Fed in 1980, going there from Wells Fargo Bank, San Francisco, where he was senior vice president/chief economist. Before that, he was with the ABA in Washington, D. C., and once was on faculties of the University of Michigan and University of Virginia.

**Randall C. Sumner** and **Michael T. Moriarty** have received new appointments at the St. Louis Fed. Mr. Sumner has been named vice president in the bank supervision/regulation department, and Mr. Moriarty was promoted to vice president in charge of the cash/securities departments. In

addition, **Paul I. Black Jr.** was promoted to vice president/manager, Memphis Branch. Mr. Sumner, with the Fed since 1976, now has responsibility for credit-discount, bank and bank-HC surveillance, consumer/community affairs and trust examination. Most recently, he was vice president/manager, Memphis Branch. Mr. Moriarty, who had been assistant vice president/assistant manager, Little Rock Branch, joined the St. Louis Fed at its Memphis Branch in 1961. Mr. Black also started at that branch in 1958 and, since 1969, had been its assistant vice president/assistant manager.

**Christopher L. Crawford** has been named director of the ABA's operations group, moving up from associate director. He succeeds **Charles F. Bates**, who has joined the Atlanta-based research/consulting firm, Elec-

tronic Banking, Inc., as executive vice president/general manager.

**Robert G. Dederick**, under secretary of commerce for economic affairs, Washington, D. C., is joining Northern Trust, Chicago, in mid-October as executive vice president/chief economist. As under secretary, he was chief economic adviser to the Secretary of Commerce. Mr. Dederick joined the Commerce Department in May, 1981, as assistant secretary/economic affairs and became under secretary in August, 1982. Before going into government service, he was senior vice president/chief economist at Northern Trust.

**ABA Ag Bankers Convention To Be in Los Angeles**

For the first time in its 32-year history, the ABA's National Agricultural Bankers Conference will take place on the West Coast — at the Bonaventure Hotel in Los Angeles.

"Today's Problems . . . Tomorrow's Opportunities in Agribanking" is the theme of the conclave, scheduled November 13-16. **Fred W. Greer**, senior vice president, Citizens & Southern National, Atlanta, is conference planning-committee chairman.

Arkansas Senator **David Pryor** and **Gordon Van Vlaeck**, California's secretary of resources, will address the conference along with new ABA President **C. Robert Brenton**, president of Brenton Banks, Des Moines, Ia. Mr. Brenton will lead off the program with a panel of *Newsweek* reporters who will provide insights into current domestic and international economic events shaping world news.

Other speakers include **Walter Minger**, senior vice president, Bank of America, San Francisco; **Arlen Tengwell**, senior vice president, Norwest Corp., Minneapolis; and **Alan Tubbs**, president, First Central State, DeWitt, Ia.

**Internat'l-Relations Area Monitored by New OCC Unit**

**A**N international relations/financial evaluation unit has been established by Comptroller of the Currency **C. T. Conover**, with Deputy Comptroller **Robert R. Bench** as its head. He reports directly to **H. Joe Selby**, senior deputy comptroller for bank supervision.

The new division permits the Comptroller's Office (OCC) to identify and respond more effectively to risks posed to the national-banking system by international events and conditions. Specifically, the division:

- Develops and maintains systems for data collection/processing, country monitoring and analysis and analyses of U. S. banks' international risks.
- Fosters the OCC's relationships with U. S. government and multi-lateral agencies and with the international financial community.
- Manages the OCC's relationships with bank supervisors in other countries.
- Identifies problems and recommends policies and appropriate actions regarding international exposure of U. S. banks.

Mr. Bench has been with the OCC since 1965. In 1982, he was appointed deputy comptroller for international banking in the multinational group. This group is responsible for supervising consolidated global operations of the largest U. S. national banks, as well as federally chartered branches and agencies of foreign banks operating in this country.



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## BMA/ABA Merger Approved By Overwhelming Vote

**T**HE MERGER of the Bank Marketing Association into the ABA took place November 1 following overwhelming approval of the proposal by the BMA. The merger plan, first announced last July by the BMA's board, was adopted by BMA members on a vote of 2,103 to 78. As a result of the vote, the BMA has become the ABA's marketing arm.

To win approval, the ABA affiliation plan required two-thirds of those voting in person or by proxy at a special meeting of the BMA membership in the association's Chicago headquarters. More than 55% of the 4,177 eligible members in the BMA voted on a proposal to merge it into a new nonprofit Delaware corporation established by the ABA.

The new BMA leadership team is headed by Barry I. Deutsch, senior vice president/head of marketing and communications, Mellon Bank, Pittsburgh, who is serving as president for 1983-84. He succeeds Richard M. Rosenberg, vice chairman, Wells Fargo Bank, San Francisco.

The merger was hailed by ABA President William H. Kennedy Jr. as "an encouraging sign of a strong, successful future for both groups." Mr. Kennedy is chairman, National Bank of Commerce, Pine Bluff, Ark.

ket-expansion program. New products designed to appeal to people within the two target market segments and those in between are being prepared for introduction by year's end, says Ms. Holloway.

"It's all well and good to claim that we can give you a break where you haven't had one in the past," says Ms. Holloway, "but we want to give a break in the form of a product that is valuable, easy to understand and well serviced — that is our next goal."

Located in a heavily ethnic neighborhood, Commercial National does not have a large base of people in the two target market segments from which to draw and competition from nearby banks is fierce, she says. But the bank's location at a well-traveled intersection is an advantage in that many people have to pass by on their way to and from jobs in downtown Chicago, she explains.

A number of young, two-income families live on the northern and northwestern periphery of Commercial National's traditional drawing area and they represent a potential market expansion opportunity, says Ms. Holloway. She adds that advertising in newspapers and on billboards and public transportation placards may convince those highly sought customers to stop by and see exactly how Commercial National plans to give them a break. — **John Cleveland**, assistant to the publisher.

## Bank's New Theme Urges Commuters To Take A 'Commercial' Break

**B**ILLBOARDS and placards on buses and elevated trains are reminding commuters on Chicago's north side that it may be "Time for a Commercial Break."

The new advertising theme for Commercial National, Chicago, is intended to increase consumer awareness and sharpen public perception of the \$220-million institution, according to Mikki Holloway, vice president in charge of marketing and personal banking. Research during developmental stages of what for Commercial National was an unprecedented and aggressive marketing program revealed that the bank had low visibility and a fuzzy image, she explains.

"If our name was mentioned, people would say things like, 'Oh yes, they are a very good bank; I've heard of them,'" Ms. Holloway says. "But given the option of naming five banks, they didn't come up with us."

Moreover, the name Commercial National didn't remind people of a warm, personal approach to banking, research indicated. In some instances, people wandered in off the street needing to have a signature guaranteed by a "commercial" bank, indicating some confusion about the bank's name, says Ms. Holloway.

Through most of its history, Commercial National — founded in 1945 — primarily has been a savings bank, and in fact, still has a solid base of passbook savers. A new strategy, developed last

year when the banking industry was still on the threshold of deregulation, called for Commercial National to maintain its existing customer base while expanding its appeal to others who tended to bank elsewhere, according to Ms. Holloway.

Two target markets were identified. Admittedly, the markets — young, up-scale, two-income families and older, affluent empty nesters — seem less of a novelty today than they did more than a year ago when Commercial National's research initially identified their potential, says Ms. Holloway. Almost every financial institution is aggressively pursuing them these days, she says. Commercial National remains undeterred, however.

During the past several months, the bank has put its personnel through an intensive customer-relations training program. As a result, personnel seem to feel more confident about their ability to deliver the level of service the new advertising program leads the public to expect, says Ms. Holloway. The training has prepared personnel to assist customers through the ever more confusing maze of investment opportunities they face, she says.

With the training program improving the quality of service available at Commercial National and the new advertising program gradually stimulating awareness in the surrounding community, Commercial National is preparing for the next phase of its mar-

## Bank's New Handbook Lists Detroit Neighborhood Groups

Manufacturers Bank, Detroit, has published a 64-page handbook that provides information about energy conservation, mortgages, home-improvement loans, grant programs, legal resources and much more.

The "Third Detroit Neighborhood Handbook" also includes a comprehensive index of existing Detroit neighborhood organizations and a brief description of the history, meeting times and other facts about each group. Copies of the handbook are being made available free through all Manufacturers Bank Detroit offices.

"We believe that cooperation between neighborhood groups, the private sector and government is one of the keys to revitalization of Detroit," says Brenda L. Schneider, second vice president in charge of consumer and urban affairs. "We hope that the people and organizations working toward Detroit's renaissance will find the 'Third Detroit Neighborhood Handbook' a useful tool."

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## RMA Conference to Feature Concurrent Sessions

"**P**OOLES of Risk" will be just one of the topics to be on the program of the 69th annual fall conference of Robert Morris Associates October 30-November 2. Headquarters will be the Fairmont Hotel in San Francisco.

The keynote address, "Financial Conglomerates in the 1980s," will be given October 31 by Stephen T. McLin, senior vice president/director of strategic planning, Bank of America, San Francisco.

Also on October 31, the "Pools of Risk" panel discussion will be followed by concurrent panel sessions by bank size on the same topic. Banks will be divided as follows: those with assets under \$999 million; those with assets between \$1 billion-\$3 billion and those with assets of more than \$3 billion.

That same day, there will be concurrent sessions (to be repeated once) on: "Asset-Based Lending — You're Doing It, But Are You Doing It Right?"; "Micro-Computers and the Loan Officer"; "Loan-Quality Control — Conceptually, From Loan Review to Collection" and "New Call-Report Requirements — How They Affect Loan Policy/Loan Administration." Two other concurrent sessions October 31 will not be repeated: "The Outlook for Real Estate Lending" and the RMA/Omega program on commercial loans to business.

At the October 31st luncheon, the president's address will be given by Jack R. Crigger, executive vice president, American National, Chattanooga, Tenn.

On November 1, concurrent sessions will be held on: "Failure Predictors," "Problem-Loan Workouts," "International-Loan Rescheduling: Current Developments," "Country-Risk Assessment in International-Loan-Portfolio Management" and "Banking's Three Ds in the '80s: Deregulation, Disclosure and Dependency." These sessions also will be repeated.

A plenary session on "Divergent Views of Our Economic Future" will open the November 2nd program. Speakers will be J. Wahed, vice president/chief economist, Wells Fargo Bank, San Francisco, and Robert S. Enzig, vice president/controller, Transamerica Corp., San Francisco.

They will be followed by concurrent sessions on: "Managing for Realistic Profits in Difficult Times," "Loan Par-

ticipations — Up/Down and Agented/Agreement: Where Are We?"; "How Good Are We at Evaluating the Credit of a Bank?"; "A Reassessment of International Banking — a Regional Bank Point of View," "Loan and Credit Policy: Yesterday, Today and Tomorrow," "Business-Development Skills for Loan Officers," "Analyzing Captive Finance Companies," "Loan-Officer Evaluation" and "Loan Documentation — a Key to Success."

The day will be rounded out with a plenary address on "The Style to Come: Management in the '80s" by Olaf Isachsen, president, Institute for Management Development, Inc., Oakland, Calif.

Also planned are special activities and a spouses' program.

The conference will come to an end November 3 with the RMA president's reception and banquet. ●●

### RMA Uniform Credit Analysis Seminars Begin This Fall

The Robert Morris Associates (RMA) Uniform Credit Analysis seminars again will be offered to RMA members and nonmembers.

Four open-enrollment seminars have been scheduled for the fiscal 1983-84 year. The first was held October 16-21, but others are set for November 13-18, February 5-10 and April 29-May 4. Each seminar will be held at the Xerox International Center for Training and Development in Leesburg, Va.

The Uniform Credit Analysis Seminar is, according to the RMA, one of the most intensive educational events the organization has ever offered. When participants successfully complete the five-day, 52-hour seminar, they return to their banks with a practical working knowledge of the cash-flow analysis system taught at the seminar, according to the RMA. In addition, the instructor's package provided to seminar participants allows them to return to their own banks and teach uniform credit analysis.

Program participants will work manually and then with micro-computers. In addition to developing historical and projected cash flow, they will learn to understand and use the RMA format and structure, learn how cash flow is linked to traditional analy-

sis, learn to use micro-computer-generated "what-if" analysis in structuring loans, analyze a borrower's earnings and determine future cash flows, assess and evaluate the skill and effectiveness of a borrower's management and examine the impact of industry, economic and competitive trends on a borrower.

Five faculty members will conduct each seminar. They are: Rex Beach, Ph.D. (moderator), president of I. M. D. B. Learning Systems, Lafayette, Calif., and former director of credit training at Wells Fargo Bank, San Francisco; John McKinley, senior vice president, Citizens & Southern Bank, Atlanta; Olaf Isachsen, Ph.D., president, Institute for Management Development, Oakland, and former director of Human Resource Development at Wells Fargo; Richard Viperman, president, Organizational Management Systems, Atlanta; and John Barrickman, vice president, Bank Earnings International, Atlanta.

The seminar is structured for experienced lenders already proficient in credit and who are actively making loans, the RMA says. It also is for senior analysts who need to expand their capabilities so they can understand, support and objectively view the lender's decisions.

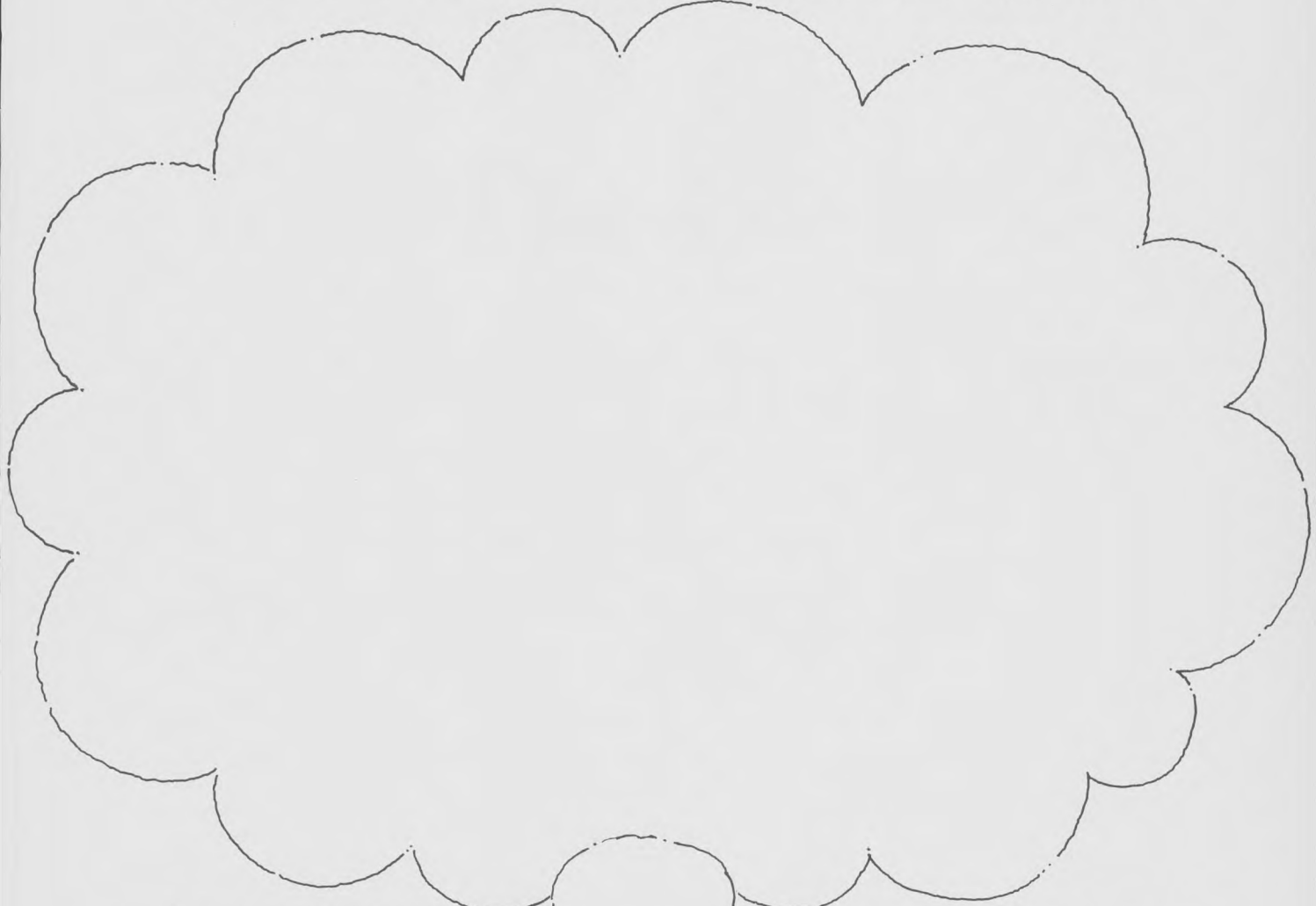
### Southeastern Minnesota Gets New RMA Group

A Mid-Continent-area group is among four new groups, or sub-chapters, formed by Robert Morris Associates. This raises the number of RMA groups to 29 operating under 14 of the association's 38 chapters.

The new Southeastern Minnesota Group is operating under the RMA's Minnesota Chapter and serves Rochester and environs. Officers are: chairman, Charles E. Glarner, senior vice president, Norwest Bank-Rochester; vice chairman, August A. Williams, vice president, First National, Rochester, and secretary/treasurer, W. J. Nigbur, vice president, Marquette Bank, Rochester.

Also newly formed are the Central Florida, Maine and Southwest Puerto Rico groups.

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# Joining an ATM Network: A Logical Step

By James D. Massey, President, and Irving R. Gilson, Assistant Vice President,  
Merchants National Bank, Indianapolis

**W**HAT WOULD happen if you told your customers, "Your check's only good at my bank?" Your customers probably would find such an arrangement too restrictive, and they might eventually switch banks. The same notion of convenience applies to an automated teller machine debit card as to a check — the more places a customer can use it the more valuable it is as a service.

Building convenience and flexibility into our debit-card program was a key objective for Merchants National when we created our Green Machine regional ATM network in 1977. It was that same objective that, five years later, led the bank to become one of the primary members of CIRRUS System, Inc., the nationwide electronic banking network headquartered in Oak Brook, Ill.

A \$2-billion bank headquartered in Indianapolis, Merchants first began to evaluate the need for a proprietary ATM program in the early 1970s. Our research indicated consumer awareness and acceptance of this form of self-service banking was growing on a broad scale. Heavy introduction and promotional expenditures by our competition were beginning to further increase consumer acceptance of the machines.

By 1977 we felt the ATM was at a critical take-off point and it was time for us to act. In order to regain our competitive position within our local marketplace and to ride the crest of the growing popularity of ATMs, we decided to develop our own ATM network. We knew our network certainly wouldn't be the first ATM program to be marketed in Indianapolis, so we decided to make it the most flexible and up-to-date.

To reach that goal we developed a strategy. First, our ATM program had to be customer oriented because customer usage ultimately would determine its success or failure. Second, the greater the number of customers participating, the greater likelihood there was for success; therefore, we wanted to make card issuance as wide-ranging as possible. Third, our ATM system's hardware had to integrate with our existing on-line communications network.



GILSON



MASSEY

With those parameters to guide us, we entered into a joint agreement with Diebold, Inc., Canton, O. We would serve as the beta test site for a then newly announced hardware called the Diebold 9000. Truly a customer-oriented unit, the 9000 was designed from its inception to operate in an on-line environment. Since we wanted the broadest card penetration possible, regardless of a customer's previous account history, on-line capabilities were essential.

Integratability also was important to us because we already provided on-line CIF and account inquiry to our 44 branches through IBM 3600 Loop technology. To avoid redundancy of communications costs and to provide consistent information throughout our account files, integrating ATM transaction data into our operations was important.

On-line capabilities and network integration were particularly critical in fulfilling our goal of providing customers with maximum convenience

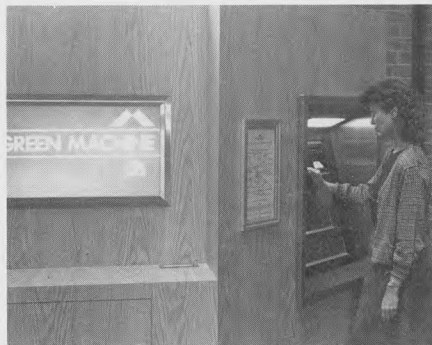
through access to shared machines. To this end we extended ATM support to our correspondents as well to the credit unions for which we process share drafts.

In the fall of 1982 we took the next logical step in offering maximum customer convenience. We joined CIRRUS so we could link our Green machines and cardholders to a nationwide network of 5,000 ATMs and 19 million cardholders in 43 states. In June, 1983, Merchants National became the seventh member institution in the CIRRUS network to activate its interstate switching capabilities.

We chose CIRRUS because of the attractive travel-related locations it offered our customers — airports such as Los Angeles International and La Guardia; resort areas like Palm Springs and Honolulu; ski areas such as Sun Valley; casinos in Las Vegas and Atlantic City; and even Walt Disney World. Major metro areas surrounding Indianapolis; e.g., Chicago, Cincinnati, Detroit and Cleveland, also were important. In addition, CIRRUS's large card base offered us the opportunity to earn interchange-fee income every time the cardholder of another CIRRUS member uses a Green Machine. Our Green Machine located near the Indianapolis Speedway could handle many such interchange transactions for the tremendous number of out-of-state visitors who come to the 500 auto race each year.

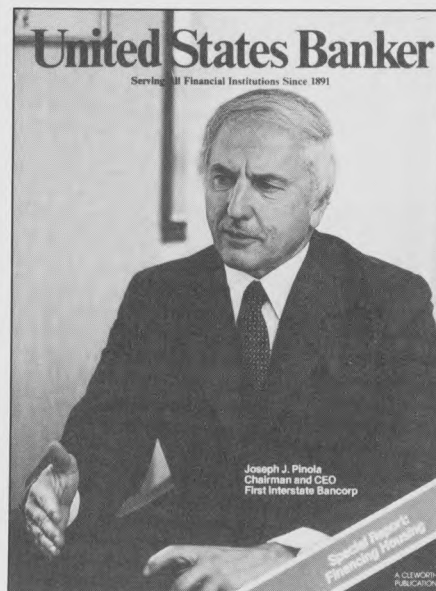
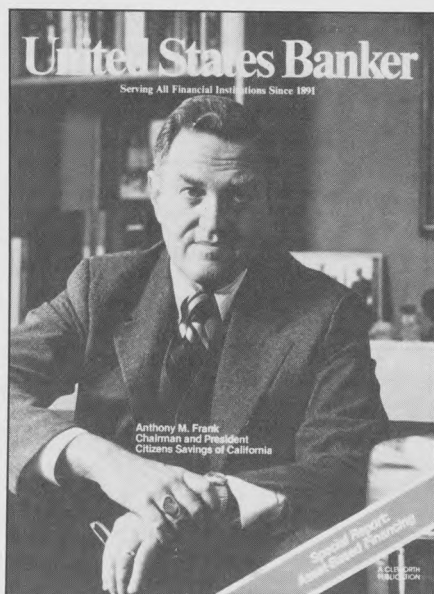
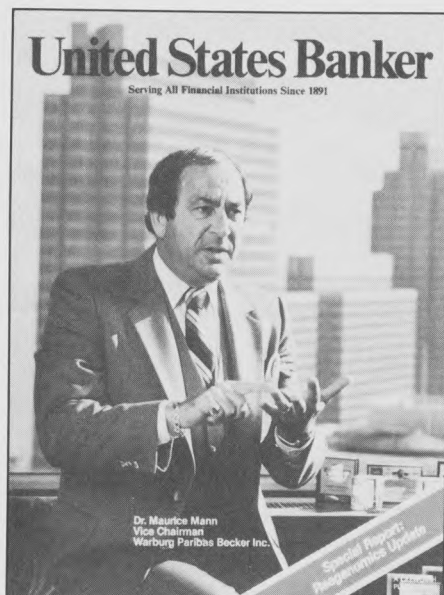
But aside from ATM locations and numbers of cardholders, one of the primary reasons we chose CIRRUS over other national networks was that its operating philosophy was closely allied with our own. For example, in terms of identifying machines and cards, the CIRRUS name and service mark are given secondary emphasis after the name of the member institution's proprietary system. From a marketing standpoint, we thought this was a significant advantage. In addition, it reflected the network's philosophy that the members come first.

We also felt that the size of CIRRUS's governing body made it efficient yet democratic. Each member has the opportunity for input, but the board of directors is small enough that



Merchants Nat'l has 20 Green Machine ATMs in central Indiana. Linkage with CIRRUS ATM network enables bank customers to use ATM cards in such places as New York City and Los Angeles.

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it can make decisions and take action quickly.

In short, we liked CIRRUS's approach to doing business and we felt there was a good fit between Merchants' style and the network's. This was important because by joining CIRRUS we were creating a long-term partnership that will have a major impact on how our EFT services develop in the future.

For Merchants, CIRRUS membership has both long- and short-term benefits. Since its recent introduction to our customers through ads that promote CIRRUS as the all-round banking service — a service that customers can use all around the city, the state or the country — we have experienced a level of interest far beyond our original expectations. While the Green Machine network has machines in central Indiana, the added dimension of access to deposits nationally and eventually internationally has been attractive to customers. We have received numerous inquiries from frequent business travelers, vacationers and simply curious customers who want to know if they really can go to New York City or San Francisco and get money from their Merchants' checking or savings account. This travel convenience is especially attractive to the upscale customer who tends to be more mobile. CIRRUS represents a significant value-added benefit to these customers and a way by which we can differentiate ourselves from our competition.

Our membership in CIRRUS also provides us with the flexibility to position for the future. Cooperation and interdependencies between organizations will increase as the financial community begins to realize the full-scale economic benefits of the next phase of EFT development. The on-line interconnected data bases first established to facilitate ATM sharing will be expanded to other higher-order EFT services, such as point-of-sale debiting, interbank electronic entries and in-home banking and shopping. Each of these advances will require the application of on-line technology and growing levels of interinstitutional dependency. A network such as CIRRUS creates a synergy that spurs development in its individual members and creates a pool of resources and experience for meeting the challenges of the future.

In a relatively short time, ATMs have evolved from a marketing gimmick into an increasingly integral part of the delivery system of today's financial institution. National networks

linking proprietary systems constitute the next logical step in the development of customer-oriented electronic banking services. Not only do they expand the time and space dimension of our business, but they have a positive impact on the operational cost of delivering products and services to customers. In the future these benefits will have a major impact on each institution's survival and profitability.

Merchants National is preparing for the future with CIRRUS. ●●

### **IBAA to Provide Members With InnerLine Access**

The Independent Bankers Association of America (IBAA) is establishing a private, electronic communications network through InnerLine, which claims to be banking's only computer-based management-support service.

The IBAA says it thus has become the first national banking trade association to provide members with on-line access to InnerLine's more than 40 services, including a nationwide marketplace for listing financial instruments. Ronald G. Burke, president, Bank Administration Institute, and InnerLine's CEO, says the IBAA now has the capability to electronically link its 7,000 member banks.

Kenneth Gunther, IBAA executive director, says that InnerLine will enable the IBAA to offer same-day legislative updates to members while providing them with access to the most comprehensive financial information system available to the banking community. The IBAA plans to work with InnerLine to develop a commodities-pricing program, accessible through the system, that will assist the agricultural banking community, which is heavily represented within the IBAA.

InnerLine is a co-venture with the *American Banker* and the Bank Administration Institute. It provides finance-related services in the areas of management, financial and funds management, retail and trust banking, micro-computers, commercial lending and correspondent banking, bank operations, corporate planning, compliance, legal and audit.

● **Diebold.** An extended version of the TABS® Automate, a relocatable transaction facility designed to house a TABS 9000 Series walk-up or drive-in ATM and Securomatic® and After-Hour® Depository, has been introduced by this company. The extended automate is 13'x4' compared to the 9'x4' standard Automate enclosure. Write: Diebold, Inc., Canton, OH 44711.

### **MACHA Serves As Processor For Visa ACH Pilot Test**

The Mid-America Automated Clearinghouse Association, Kansas City, will participate in a pilot test during October of a nationwide automated clearinghouse service launched by Visa.

MACHA will serve as a processor for several financial institutions among its more than 1,600 members, says John Borden, executive director. The Visa test will support electronic ACH debit and credit transactions and administrative messages. A mini-computer provided by Visa will be installed at MACHA facilities to transmit ACH data to Visa.

"The pilot looks like a very natural first step toward the evolution of a full-blown commitment to private processing," says Loren Anderson, MACHA president and executive vice president, National Bank of Commerce, Lincoln, Neb.

### **Financial Marketing Subject of New Book**

"**Money Merchants: Bank Marketing in a New Era,**" by Michael W. Olsen. Publisher: Consumer Bankers Association, Suite 1200, 1300 N. 17th St., Arlington, VA 22209. Single copy, \$30 (\$24 for CBA members). Special prices available for multiple orders.

This book is described as a basic primer on financial-institution advertising. Its author, Michael W. Olsen, is vice president/district manager, Chase Manhattan of Utah, a subsidiary of Chase U. S. Consumer Services, a division of Chase Manhattan Corp. He formerly was a commercial loan officer at Commercial Security Bank, Salt Lake City, Utah.

Starting out by discussing the evolution of bank marketing, Mr. Olsen goes on to define marketing and the marketing concept and to describe bank marketing's environment as well as other environments such as cultural/social, political, legal, economic and technological. In his 80-page handbook, Mr. Olsen talks about functions and structure of a marketing department, market research, product development, pricing products/services, advertising responsibilities, sales and public relations.

The author also devotes some space to marketing planning, market and product segmentation, concept of markets and analysis of opportunities, analysis of markets, matching products to market segments and benefits of segmentation.



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## Mellon Bank Cuts ATM-Balancing Costs

MELLON Bank's central-balancing service for remote ATMs has cut average balancing time in half and staff requirements from 22 persons to nine, according to William E. Adams, vice president/operations for the Pittsburgh-based institution.

"In the past, we had community offices in close proximity to the remote installations where balancing was accomplished," Mr. Adams notes. "We developed a proposal that indicated significant dollars could be saved if we performed this function centrally and that's what we're doing now."

Currency in 27 remote Mellon Bank ATMs must be verified daily by balancing representatives who visit the sites. Previously done by hand by Mellon Bank community-office employees, balancing a single ATM took an average of 20 minutes.

Using high-speed, portable Brandt, Inc., currency counters, however, Mellon Bank balancing representa-

tives can settle an ATM in 10 minutes. The representatives carry the portable currency counters in their vans and plug them into the ATM when they arrive at the ATM site, according to Mr. Adams.

Dollar savings with the new system are "significant" when the size of the current and planned Mellon Bank ATM network is considered, Mr. Adams adds. Mellon Bank, which installed its first ATM in 1972, reached the 83 plateau last year and should have as many as 150 by the end of 1983.

The speed of the lightweight currency counter gives the balancing representatives more time to ensure that the ATM won't run out of money during the next 24-hour period or over a weekend, Mr. Adams says. In addition to being capable of counting up to 800 bills per minute, the unit stops at predetermined batch counts, starts anew when a completed batch is removed and clears the count when an incom-

plete batch is taken from the output stacker.

A short paper path allows fast cleaning and jam clearing if necessary and the bills never completely leave the operator's sight. Automatic features of the currency counter double the potential for detecting and preventing miscounts caused by overlapping, piggybacking or half-note conditions. An LED display alerts the operator to such errors.

At Mellon Bank, cost justification is a way of life, Mr. Adams says. All equipment purchases are thoroughly studied before commitments are made and once a unit is in use, results must agree with predictions made during the study.

"With the portable currency counters at ATM locations," Mr. Adams notes, "where time and staff requirements have been reduced so dramatically, quick payback was easily recognized when we purchased them." ●●

## New Program Cuts HC's Item-Processing Costs

CHICAGO-based bank HC has trimmed item-processing and associated costs by more than \$500,000 a year with a centralization program. The effort has consolidated item processing, bookkeeping and check-clearing functions for its four member banks. Bulk check-filing procedures have contributed to the cost-reduction equation.

W. N. Lane Interfinancial's new Central Operations Center now handles between 150,000 and 210,000 checks daily, making it the sixth largest check-processing institution in Illinois.

"We've met all the key goals we set for our conversion from the distributive-processing mode to a centralized operation," says Scott Yelvington, senior manager. "The first-year savings for Lane banks totaled more than \$500,000. And that figure includes increased equipment-lease costs. We've reduced our balances at correspondent banks significantly, and these balances are continuing to decline. Funds availability has improved. In addition, the individual banks are quite happy with our service; they've been relieved

of a big headache."

Lane banks include Northwest National and Lakeview Bank, which respectively rank one and two as the largest Chicago-area financial institutions outside the Loop; Pioneer Bank and suburban Northbrook Bank. The banks are clustered within a 20-mile radius, a factor that helped argue for consolidation.

The new Operations Center is housed in one of the banks. It uses NCR VIPS (variable-item-processing systems) software, while an NCR 8455 computer system anchors the highly automated operation. However, after items are captured and daily runs balanced, data tapes still are sent for final processing to a computer at Lane's data processing center, located in a separate facility.

The Operations Center's modular VIPS system includes 13 single-pocket proof machines and two 24-pocket reader-sorters. There also are five cathode ray tubes (CRTs) for on-line reject/reentry, plus three disk drives, a tape drive and a printer for data handling, storage and report generation. Programs are loaded from a card

reader.

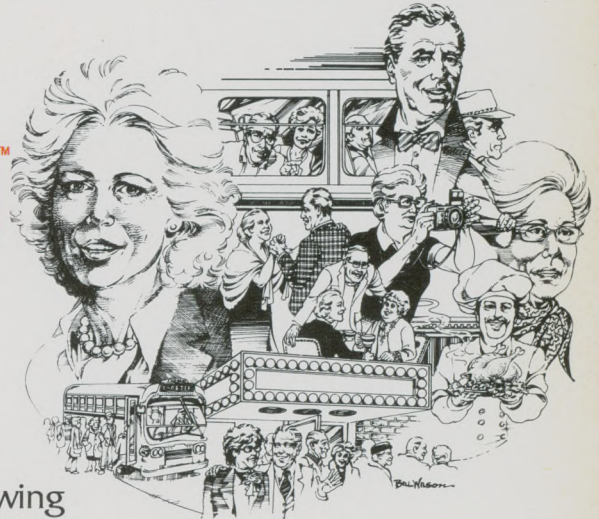
Lane opted for operations consolidation in 1982, after a cost study reviewed by an outside auditing firm indicated that substantial savings could be reaped by centralizing proof, item processing and bookkeeping. Previously, each bank used a proof and capture machine to encode and capture items.

Projected savings quickly proved out, says Mr. Yelvington. However, he notes that savings yield for the individual institutions varied substantially. For instance, Northwest National's average per-item processing cost dropped from 3.5¢ to less than 2¢. The reduction in Pioneer Bank's former 6¢-per-item cost was even more impressive. But, in contrast, Northbrook's per-item cost initially increased slightly. That was because Northbrook Bank had been routing items through a downtown correspondent bank at attractive rates. This early anomaly has been eliminated, Mr. Yelvington adds. Special transit runs have helped Lane bring its rate down below the correspondent bank's level.

(Continued on page 56)

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Centralization has eliminated the need for duplicate staff positions in individual banks. With higher volumes, Lane also has been able to cost justify more sophisticated processing equipment. This combination has reduced staff requirements more than 30%. The new center employs only 70 people, including two programmers. A substantial number of clerical workers are part-timers, who help with the 15 separate statement-rendering cycles run for each bank. Statement rendering is one of the few manual jobs remaining at the center.

"Previously, the four banks had more than 100 employees engaged in processing activities," says Mr. Yelvington. "Now, some of our proof operators routinely handle more than 2,000 items per hour, while the hourly operator average is about 1,500. We've obtained this high throughput by allowing operators to concentrate on their main jobs. Another clerk is assigned to make balancing corrections and put through separate blocks of corrected batches. While we originally budgeted for 10 proof operators, we've found eight people can handle our volume."

To create a steady stream of incoming work, tellers at the four banks batch items for the center every hour on the hour. Couriers then shuttle this work to the center. By mid-day, combined deposits are readied for presentation to the Loop's "big five" institutions. A special courier makes one mid-day run for the four banks. However, since the downtown banks charge 4¢-7¢ per item for mid-day deposits, Lane sends only items in excess of \$200 to \$300.

During the day, primary sorts kill most on-us items. Fine sorting for bulk filing as well as special sorts are handled by the night shift in this 24-hour-a-day operation.

Taking advantage of its large central check volume, Lane was able to tap into the Chicago Clearinghouse Association. This yielded immediate cost reductions. Using its sophisticated sorting capabilities, Lane has expanded from 23 to 63 in-clearing points. A group RCPC Federal Reserve sort has permitted Lane to present to more banks, further cutting costs.

Mr. Yelvington explains that the VIPS system permits more sophisticated clearing sorts by offering secondary-pass capabilities. This simultaneously reduces check-clearing costs and improves funds availability. When VIPS-generated reports indicate volumes are sufficient, Lane sends

## Video Banking to Be Featured At Financial-Services Event

Video banking will be the focus of ABA's first home information and financial-services symposium November 16-18 at the Atlanta Marriott Hotel-Airport.

Geared for bank executives in charge of operations, marketing, strategic planning and retail product development, the symposium is designed to put these participants in touch with the latest research on videotex and home banking, says Bill Petrarca, chairman, ABA operations group's home-banking task force, and vice president, National City Bank, Cleveland.

Program participants will be key executives from corporations such as E. F. Hutton, Dow Jones, J. C. Penney, Chemical Bank and Manufacturers Hanover Trust, New York City. Other key industry participants will come from major banking consultants and technology and service vendors.

Recent pilot-project results will be discussed along with key technology issues and information on how bankers should position their bank as a potential "gateway" for delivery of home information and financial services. Educational displays and demonstrations of systems and equipment will be featured.

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consolidated cash letters to the Fed targeted for various national locations.

During a primary pass, Chicago CHA and RCPC items are shunted to a special pocket. A subsequent evening run enables Lane to meet deadlines on these items. The center uses both its reader-sorters for on-line fine sorts.

"Our correspondent-bank balances are declining because we have the flexibility to change our sorts weekly," comments Mr. Yelvington. "We monitor transit-check volumes closely to see if destination points are changing. If the information warranted, we could change our sort pattern on a daily basis."

Lane's VIPS software includes modules for proof-of-deposit, on-line reject/reentry and multi-pass balancing, real-time cash letters, on-line fine sort and cycle sort, exception-item pull, batch statistical analyses and reporting and automated microfilm-retrieval applications.

The on-line fine-sort software for the reader-sorters offers compression techniques to put MICR-coded documents in account-number sequence in a minimum number of passes, while the exception-item-pull software automates the pulling of exception docu-

ments. Lane's data center uses telecommunications capabilities to relay information on stops, overdrafts and other problem items; then the exception pull extracts the items and runs them through separate sort programs.

VIPS dollar/item, debit/credit, on-us and transit-item reports, coupled with Fed pricing and source-analysis capabilities, have given Lane the information it needs to minimize Fed charges, reduce item-handling costs and improve funds availability.

Fed software permits analysis by source, destination and major accounts. An end-point float analysis gives a capsule overview of total items and dollars, while a breakdown details float totals. Cash-letter statistics include end-point Fed numbers and reveal dispersion by transit routing numbers.

With fast access to such analyses, Lane management can pinpoint problems and optimize processing methods. Mr. Yelvington points out that Fed reports show that Lane reject rates and adjustments compare favorably to industry averages.

Lane's VIPS system also includes a microfilm archival retrieval system to speed research on returned items. A computer index to microfilmed documents permits on-line CRT inquiries to locate specific documents or groups of documents.

"NCR's NCN-3 software has been a big help with night-time balancing," says Mr. Yelvington. "It tells us which items are out of sequence and which batches are out of balance. I'd recommend this software to any bank using primary and secondary passes."

The comprehensive VIPS system and centralization have helped Lane convert smoothly to cost-effective bulk filing procedures, Mr. Yelvington adds. With bulk filing, on-us checks are indexed by computer and then stored in random order by cycle and day in a front-end operation until statement-rendering time. Bulk filing eliminates the process of filing checks daily by account number.

But, despite all of these gains, the Operations Center still sees areas where improvements can be made, and lowering reject rates is the number one priority. "Rejects are expensive," Mr. Yelvington comments. "They're not only labor intensive, but cost the banks money in terms of availability. That's why one of our big thrusts now is in the reject-repair area. We're purchasing microscopes, oscilloscopes and a strippette machine to help us with reject problems related to bulk filing. The manual sort required



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to get rejects into bulk filing is labor intensive. With a strippette unit, we'll be able to put the account number on rejected items so we can sort them mechanically rather than manually."

Mr. Yelvington estimates Lane's reject rate for in-clearings at about 2.5% and its counter work reject average at about 1.9%. However, he's optimistic that a program now underway may bring the reject rate below 1%.

"To reduce rejects, we have approached all check vendors that supply banks and requested copies of every check order," he says. "This will allow us to monitor what's being put out. We're explaining our processing problems to commercial accounts, and they appear quite willing to switch vendors if that will allow them to avoid special processing charges. Eventually, we plan to recommend a limited number of quality vendors to our corporate customers."

"Our internal documents, however, probably account for an even higher percentage of on-us rejects," he adds. "Some of the documents look as if they're printed on toilet tissue. This is a problem we can do something about immediately."

Lane also is considering the addition of an OCR reader-sorter attachment to further cut its reject rate.

Currently, Lane pulls and manually processes large dollar rejects as quickly as possible. All rejects also are microfilmed.

"When we have a reject due to a jam, that item may not have been filmed properly," Mr. Yelvington says. "Yet, it's the one we inevitably will have questions on later. So, to ensure an audit trail, we microfilm all rejects separately and send them in separate cash letters."

With sophisticated item-processing capabilities, Lane now has excess capacity and is seeking outside business to further reduce its per-item costs. ●●

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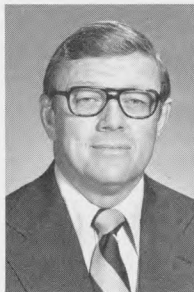
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## That's No Buckle, Pardnah; It's a Bank's Billboard!

"**T**HEY'RE the best walking billboards we could have," says Lynn Duncan, vice president/marketing manager for Wyoming National, Casper. "Even our competition says they see so many of them walking around town, they cringe every time they see one."

No, Wyoming National hasn't hired an army of people to wander the streets of Casper with advertising posters draped conspicuously over their fronts and backs. Those are the sales tactics of a diner, not a bank. Instead, Wyoming National lets its customers do the walking, something many of them are happy to do even though they may not be aware that their silver, brass or bronze collectors' belt buckles flashing in the sun are causing Wyoming National's competitors to cringe.



DUNCAN

The Casper bank has been selling or giving away (for a specified deposit) collectors' belt buckles produced by Heritage Mint, Ltd., Los Angeles, for six years. So popular has the promotion become, says Mr. Duncan, that Wyoming National probably couldn't stop now if it wanted to.

"People just go nuts over them," he says.

The belt-buckle promotion is an annual event although it is not held at the same time each year. Usually, the promotion is run in the spring or summer, but occasionally the bank may issue a limited edition, which it sells to the public to commemorate some special event rather than as part of a deposit-boosting promotion.

Five hundred silver buckles Wyoming National commissioned last year in honor of the Professional Rodeo Cowboys Association finals — held annually in Casper — sold out within 2½ days after they were made available. Another limited-edition buckle the bank is producing to commemorate the centennial of the first working oil

well in Wyoming probably will do just as well, Mr. Duncan speculates.

The first belt buckle Wyoming National gave away to its customers bore the image of the Wyoming state seal. Other buckles produced since have had an energy theme or were devoted to wildlife. Some of the latest buckles have been based on the works of celebrated Wyoming sculptor Pershing Geiger.

In a concession to today's smaller belt loops, Wyoming National has made available smaller bronze versions of its popular buckles. The bank plans to add a new design every year and drop one of the earlier designs so that its belt-buckle series becomes a true collectors' series, Mr. Duncan says.

The limited-edition buckles the bank sells to the public are not great profit producers, Mr. Duncan says, although they do bring in enough money to defray expenses. Wyoming National has been monitoring how many new deposits directly are attributable to the buckle promotions and Mr. Duncan professes to be very pleased with the results thus far.

Mr. Duncan says Wyoming National initially tried the belt-buckle promotion as an experiment and that even he has been surprised by how popular the program has become. Given the popularity of western-style accoutrements in rugged Wyoming, however, the popularity of the buckles probably should have been regarded from the outset as a (pardon the pun) cinch.

The bank, which has assets of nearly \$300 million, lets the public know the buckles are available through radio, television and direct-mail advertising. Once the buckles are on the belts of some of Wyoming National's customers, however, the rest of the advertising is free. ●●

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● **Banclip, Inc.** Custom-embossed, metallic-colored plastic money clips introduced by this firm are intended as competitive alternatives to cash envelopes. The Banclip can be used in 60% to 70% of drive-in teller transactions, holds up to 25 bills, can speed service, reduce litter and provide additional advertising value, the manufacturer says. Write: Banclip, Inc., P. O. Box 307, St. Bonifacius, MN 55375.

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## ABA Workshop Focuses On Bank Strategies

A bank-planning workshop on strategy formulation cosponsored by the ABA's corporate planning division and the Dallas AIB Chapter is scheduled for October 25-26 at the Hyatt Regency Hotel, Dallas.

Kepner Tregoe, Inc., a consultant in strategic and operational decision making, will conduct the intensive two-day session devoted to the straightforward process of strategy formulation. Specific workshop topics will include identifying a bank's driving force, assessing strategy formulation, testing strategy and implementing the planning process. The link between strategic thinking and long-range operational planning will be explored.

Participants will complete a strategy-formulation survey to gather information on their bank's strengths, threats, competitors and opportunities. The survey, along with a packet of working materials developed specifically for the bank-planning workshop, will provide the foundation for a bank's strategic-planning document. Participants should return to their bank with usable skills and a solid framework to expedite strategic planning, seminar cosponsors say.

### Louis Rukeyser, George Will Set As NCFCA Speakers

Louis Rukeyser, host of television's *Wall Street Week*, and columnist George Will are headliners for the 39th annual convention of the National Commercial Finance Association, trade association for the asset-based financial-services industry.

The convention is scheduled for November 9-11 at the Hyatt Regency in Chicago. Mr. Rukeyser will discuss "What's Ahead for the Economy?" at the opening business session. Mr. Will's topic is "The View From Washington."

Opera star Roberta Peters will be featured at the reception and dinner closing the conference.

The program will feature panel discussions on factoring, bootstrap financing of the independent finance company, trends in corporate divestitures, loan participations and human-resource issues facing today's manager.

The NCFCA also will present its annual achievement award to a company whose growth was made possible through the use of asset-based financing.

## Multi-Use Lending Package Introduced in Louisville

LOUISVILLE — Liberty National is offering a new multi-use lending package said to be unique to the area.

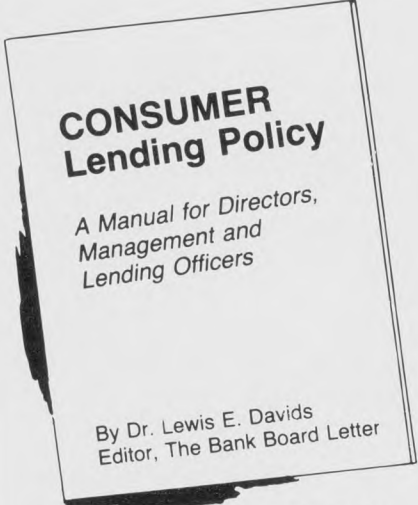
It's called the Liberty Simple Interest/Variable-Rate Loan for home improvements, autos, equipment and a variety of other purposes. The loan's interest rate fluctuates with the 91-day T-bill rate, adjusted at the first of each calendar quarter.

The package has an interest-rate ceiling of 24% and a floor of 10%. Customers may prepay without penalty and may convert the remaining bal-

ance to a fixed rate at any time without penalty.

Despite interest-rate fluctuations, a customer would make the same fixed payment each month until the maturity of the loan, when the number of payments would be shortened or extended.

Liberty has committed itself to a fixed spread tied to the 91-day T-bill rate rather than developing an internal-index rate. This enables customers to determine their interest rate by looking up the T-bill auction rate and adding that to their specific number of points.



**CONSUMER Lending Policy**  
A Manual for Directors, Management and Lending Officers  
By Dr. Lewis E. Davids  
Editor, The Bank Board Letter

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By Dr. Lewis E. Davids

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Bank directors don't get involved in consumer lending, per se, but they do get involved in formulating consumer-lending policy. In order to formulate such policy intelligently, they MUST be familiar with the broad scope of consumer lending as well as the pitfalls such lending can hold for a bank.

Dramatic increases in personal bankruptcies call for new policies in the consumer-lending area. State usury laws are being revised or preempted by federal statutes. Existing "rule of thumb" lending practices aren't always valid in today's changing environment.

This 208-page manual includes an array of consumer loan policies in force at various-sized banks, provides checklists of topics on installment-credit policy and procedures and policy components; model application forms; an overview of the Federal Reserve's consumer regulations; the Federal Reserve Functional Cost Analysis of the installment-loan function; installment-loan department plans; consumer-credit terminology, and bibliography of reference materials on installment loans.

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---

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**Consumer Lending Policy**

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# Attracting, Hiring the Right Person

By Dave Marlow\*

**T**HERE is no such thing as the perfect person for any job.

When you are trying to fill a position in the banking field, you can't wait for the perfect applicant to come along, because it never will happen. You should look for the best person available for the position open. Hiring is best done on a comparison basis. You will hire the person you consider best when compared to the other candidates for the job.

Know what you are looking for in the candidate. Specifically, know your requirements in terms of the job to fill and, overall, in terms of the objectives of the specific department and the bank.

Determine your hiring goals early and make them known. Before you bring in the first candidate, have your interviewing and hiring procedures clearly delineated. Make sure you have identified who in the organization will make the final hiring decision.

## Attracting Candidates

The quality of your candidate pool depends on where, how and when you look. If you are conducting the search yourself, you will have to advertise in newspapers and professional journals. Advertising, unfortunately, is relatively ineffectual as a recruiting and screening device, and it often reveals to potential candidates that your organization has turnover problems.

Know the marketplace of talent you are addressing. Speak to the people who make up that marketplace in a language they can understand and explain your requirements clearly and comprehensively.

Be both sufficiently general to attract responses from a diverse group and sufficiently detailed that you attract a group that is appropriate to your needs. One method of expanding your opportunities for finding high-caliber talent is the ongoing search, a policy of seeking top talent regardless of the immediate openings in your bank. It may be easier and more cost effective in the long run to select the best managers at the time they are available.

## The Selection Process

The selection process is the com-

parison of one candidate's qualifications against another's.

You need to screen candidates quickly. Then, on the basis of your comparisons, you must select the person you consider best for the job. If this process is allowed to go on for too long, the best candidates may well be lost to other banks.

The qualities you are looking for are numerous and elusive. Each comparison calls for subtle, well-trained judgments. Look at education, work history and experience in banking. The candidate's track record is important, as are skills, ambition and the likelihood that the candidate will make — and keep — a real commitment to your bank.

Appearance may or may not be important, depending on the nature of the work. But personality is critical. Measure each candidate's personality against the people with whom he or she will have to work. Look for balance in your work force — a healthy mixture of aggressive, promotable types and more conservative people who are unlikely to compete as actively as their fellow employees.

As in the planning stage, the key here is to know what you are looking for. A manager should consider the following points before starting the interview process:

- The duties and responsibilities of the job.
- The mixture of the management talent already in place.
- The role of the new person within that context.

## The Interview

Follow established procedures in the interview. Don't allow any interruptions. Don't interview by committee. If several people are to be involved in hiring, make sure they all are prepared to speak to the candidate individually.

\* Dave Marlow, BBA, worked with Burroughs Corp. prior to joining Roth Young Personnel Service of Detroit, Inc. He currently is serving with that company as an account manager of banking, accounting, finance and EDP.

During the interview, keep the following points in mind:

- Interviewing is a two-way street. A well-run interview reflects a good working relationship among your staff and shows the candidate that you respect your employees.

- Allow enough time for each interview — 30 to 60 minutes usually are adequate for a first meeting. Provide enough time between interviews so each candidate doesn't get the sense that he/she is being rushed.

- Surroundings are important in the impression they give about your operation. They are also important in making the candidate feel comfortable. You need to put people at ease so that they willingly reveal their goals, qualifications and interests.

- Keep the conversation open-ended for the same reason. Do not ask questions requiring only "yes" or "no" answers since they produce little valuable information. Do not ask questions in a rapid-fire manner as you could make the candidate nervous.

- Give candidates a chance to express themselves. They need enough time to answer your questions in depth and to ask you questions.

- Be prepared to offer ample information about your bank.

- Have facts about possible relocation handy in case the candidate inquires about that subject. Recreational and cultural facilities are given prominent consideration by applicants.

- Finally, use a standard form for recording the results of each interview. Do it immediately after the interview. Taking copious notes during the interview will block the flow of information. A standard form will help you keep track of the candidate's various traits and skills, making comparisons easier.

## Hiring: Closing the Sale

There still is a way to go once you have gone through the selection process and identified the candidate you want. You've got to make an offer that will land the candidate you want before another organization wins out. Here are some points to keep in mind:

- Make the decision quickly. Remember that the pool of available talent always is in a flux, and your candi-



date won't remain a candidate for long. Make your decision as quickly as possible and let the candidate know that he or she has been selected.

- Treat the candidate in a thoroughly professional manner during the selection process and afterward. Be courteous, respectful and responsive to his/her needs.

- Above all, make a fair and competitive offer. Do not try to buy cheaply at the last minute. You will lose both your desired candidate and your investment in the search process.

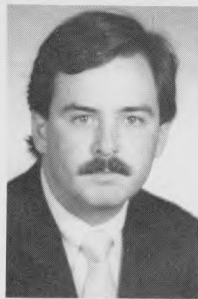
- Block competitive offers by confirming the offer in writing and setting a reporting date soon after hiring.

These hiring guidelines grow out of research and 25 years of experience in recruiting for bank managers. By following them, you should be able to attract the right people to your bank when you need them. ●●

## CORPORATE NEWS

- **ITT Commercial Finance Corp.** This is the new name of ITT Diversified Credit Corp., St. Louis. The new name is part of a broader program to identify more clearly ITT's expanded commercial-finance services for retail dealers, manufacturers, distributors and industry. ITT Commercial Finance remains an operating unit of ITT Financial Corp. According to a company spokesperson, the new name and logo will help connect the changing roles of the firm's three business areas: wholesale finance, commercial loans and business services.

- **Associates Commercial Corp.** This Chicago-based commercial-finance subsidiary of Associates Corp. of North America (the Associates) has named three new executive vice presidents. They are: Dennis J. Mandick, Donald P. Siegel and Frank C. Suarino. Mr. Mandick retains responsibilities as controller and oversees employee planning/training/administration functions. He joined the firm in 1970. Mr. Siegel continues to direct operations of Associates Capital Services Corp., the company's communications division. He joined the Associates in 1946 as the firm's first college trainee. Mr. Suarino continues to direct Associates Commercial Corp's legal department and provide legal advice and direction to the corporation and its six operating divisions in his capacity as general counsel. He also is assistant secretary, Associates Corp. of North America. He went to the Associates in 1977.



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- **Hattier, Sanford & Reynoir.** This New Orleans-based firm has announced appointments of James O. Johnson as a registered representative in Louisiana and Mississippi and Vance Reynoir as account executive. Mr. Johnson spent 15 years as vice president/correspondent officer, Bank of New Orleans. Hattier, Sanford & Reynoir is a limited-partnership investment-banking group.

- **Diebold.** This firm has introduced an optional CRT Privacy Screen to protect sensitive customer information displayed on its TABS® line of ATMs, Consumer-Transaction Terminals, and Automated Fuel Systems. The privacy screen restricts visibility of the CRT to the area directly in front of the user. Write: Diebold, Inc., Canton, OH 44711.

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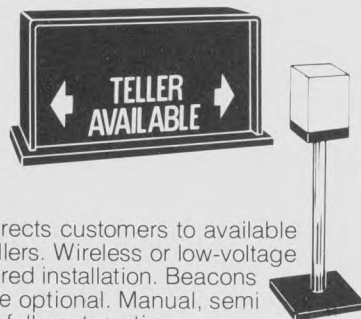
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## ATMs Open to Blind With Braille Kit

Representatives of Society National, Cleveland, and First Federal S&L, Lakewood, O., recently attended a training session at the Cleveland Society for the Blind on the introduction and operation of a program that will assist the blind in use of automated teller systems (ATMs).



Examining ATM modified with new Diebold Braille Kit are (from l.): Cleo Dolan, exec. dir., Cleveland Society for Blind, Mary Londahl of First Federal S&L, Lakewood, O., and Brenda Wilson, Society Nat'l, Cleveland.

The two financial institutions are adapting their ATMs for use with the TABS® Braille Kit being manufactured by Diebold in cooperation with the Cleveland Society for the Blind. Braille keys on operating panels of the ATMs and an audible beeper — a standard feature on all Diebold ATMs — assist the visually impaired in the step-by-step operation of the machines.

The beeper is activated every time a key is depressed signaling a request for additional time, to access the depository and to alert the user that a transaction series has been completed. The Braille Kit includes a videotape and instructional materials for financial institutions in training staff members on program introduction and operation.

"The braille keys provide a tactile means of identifying key locations," says Jeffrey J. Moyer, director of rehabilitation services for the Cleveland Society for the Blind. "The training session and support material encourage teller sensitivity and help bring the benefits of the Braille Kit to the visually impaired community."

## Chicago Banks Fund Students Involved In Exchange Program

Four banks and a Chicago-based Fortune 500 company provided funds for five Chicago high school students to live overseas and participate in the AFS International/Intercultural Pro-

gram this summer.

All American Bank, Bank of Ravenswood, Colonial Bank, Continental Bank Foundation and Quaker Oats sponsored students in Argentina, Yugoslavia, Colombia, Denmark and France in the international high school student-exchange program. The Chicago Business AFS Scholarship Program has enabled 19 students to live abroad since its origin in 1978.

C. Paul Johnson, the program's founder and chairman, Colonial Bank, says he found city students "were missing out on the AFS opportunity to live and learn abroad because they couldn't pay the participation fee. Businesses participating in the program find they can provide the fee and do something good for their neighborhoods. Through their sponsorship, they're involved with teen-agers, parents and the school in a worthwhile community project."

## Student Patriotism Program Spurred by Skokie (Ill.) Bank

As part of a summer "celebrate America" program, Skokie (Ill.) Trust offered American flags to all elementary school students in the community. Information on the history of the summer patriotic holidays also was distributed to local schools in an effort to increase student awareness and appreciation of the flag.

According to Tom Weise, vice president, Skokie Trust, the program is designed to promote patriotism in Skokie during the summer. "The American flag is a symbol to help remind us what a great country we live in," he said. "With Memorial Day, Flag Day and Independence Day all being celebrated within a two-month period, we thought this would be the perfect time to stir up the patriotic spirit in our



Elementary school students in Skokie, Ill., show their patriotic spirit by displaying American flags presented to them by Skokie Trust. At l. is Tom Weise, bank v.p.

community and educate the younger students on the flag and its relationship to our country's history."

## First Bank Minneapolis Installs Devices for Deaf

Two new telecommunication devices for the deaf have been installed at First Bank Minneapolis to aid hearing-impaired customers and bank employees.

The devices are located in the bank's personal banking center on the main floor and enable hearing-impaired customers to receive information on personal accounts and bank services over the telephone. A second unit on the fourth floor is used by bank employees for business and personal calls.



Debbie Wall, senior reconciler in item-processing department, First Bank Minneapolis, sends message on bank's new telecommunication device for deaf.

When a hearing-impaired customer calls the bank, the operator turns on the device, places the phone receiver on the unit and reads the message on a digital display. A printout of the message also is produced.

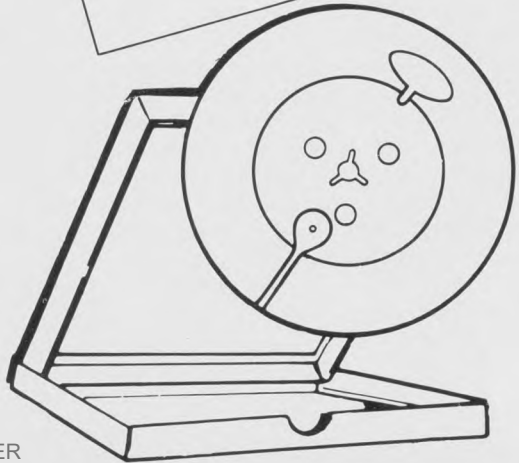
When the caller wishes a reply, he or she types the letters "GA" for "go ahead" and the bank employee types a message in return.

## Olympic Team Member Conducts Clinics

Race-walk clinics held in conjunction with the second annual "Run-for-the-Money" road race sponsored by Mount Prospect (Ill.) State and United National, Arlington Heights, Ill., featured Augie Hirt, 1976 U. S. Olympic team member and holder of three American race-walk records.

The race-walk clinics conducted by Mr. Hirt consisted of discussions about the sport, a demonstration and expansion of the logistics of race walking, according to John Dorn, vice president/marketing, Mount Prospect

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State. "We feel that race walking is a sport that is quickly coming into its own and another way of getting good exercise and keeping in shape," Mr. Dorn said.

The 10-kilometer (6.2-mile) "Run-for-the-Money" race is run over a scenic course between United National and Mount Prospect State, with proceeds benefiting the United Way. In addition, two, one-mile "fun runs" on the same day start and finish at Mount Prospect State. This year's race also featured entertainment, refreshments and raffles.

Mr. Hirt's clinics were held at both Mount Prospect State and at United National on the day of the race.

### SouthTrust Corp. Employees Win Birmingham, Ala., Run

SouthTrust Corp., Birmingham, Ala., fielded the winning team at a recent bankers run sponsored by Clarke Checks, San Antonio, Tex., check printing firm.

Clarke Checks made a \$500 donation to the American Cancer Society in the name of the winning team's employer.

Any employee at an area bank or



**TOP:** Bankers begin Bankers Run race in Birmingham, Ala. **MIDDLE:** First-, second- and third-place winners in four categories of Bankers Run pose with prizes. **BOTTOM:** SouthTrust winning team members watch as check for \$500 is presented to American Cancer Society in their HC's name by Clarke Checks, run sponsor.

financial institution was eligible to participate in the run. Participants could enter one of four categories, each of which offered first-, second- and third-place prizes for best running times.

"We wanted to sponsor an event for people in our industry that would be fun for the participants and, at the same time, benefit a worthy cause," said Marc Griffin, vice president/sales for Clarke. "Runs draw an enthusiastic response, and we have made them an annual event."

The firm sponsored four runs over a three-month period earlier this year.

### Art, Finance Are Good Mix, Opera Troupe, Bank Discover

The music, including segments of Mozart's "Don Giovanni" and "The Marriage of Figaro," was familiar; the setting — the lobby of Springfield (Ill.) Marine Bank — was not.

But 25 singers and dancers and a piano, flute and string ensemble performed free of charge for Springfield Marine Bank patrons who gathered in the lobby September 23. The bank, a well-known patron of the arts, has sponsored other performances in its lobby, including "The Great American People Show."

The performers, in this case, were representatives of the 40-member Opera Theater of Springfield, the city's first resident opera company. Members are accepted into the company through audition and the only criterion for acceptance is singing ability. Members participate in every phase of production.

While the emphasis during the production was on Mozart, the works of Verdi, Gounod, Donizetti, Gay and Gluck also were featured. Willard Bunn III, president/chief operating officer of the Springfield bank, which has assets of \$543 million, extended an invitation to all residents of the city to attend the performance.

● **Bank Marketing Association.** Two new audiovisual training programs produced by this organization's Training/Professional Development Department are available. The programs, "Exploding the Sales Myth" and "Teller Referrals for Business Development," are designed to encourage a bank's staff to sell and help tellers refer new business to new-account areas. Write: Bank Marketing Association, Training/Professional Development, 309 W. Washington St., Chicago, IL 60606.

### FDIC Invites Public Comment On Regs for Nonbank Services

The FDIC has invited the public to comment on whether it should regulate bank involvement in activities such as real estate and insurance brokerage/underwriting, data processing and travel-agency services.

The action is being taken because Congress appears unwilling to regulate bank expansion into new lines of business. William Isaac, FDIC chairman, says he'd like Congress to take action, but, if it doesn't, "we might decide to."

The FDIC is concerned that banks are careful not to endanger their insured deposits by offering services that could result in losses. Mr. Isaac says the FDIC is responsible for issuing regulations that keep banks safe and healthy so as to prevent losses to the insurance fund.

### Stonier Banking School Accepting '84 Applications

Applications are being accepted for the June 3-15, 1984, session of the ABA's Stonier Graduate School of Banking (SGSB) at Rutgers University, New Brunswick, N. J. Acceptance is on a space-available basis.

Since 1937, more than 13,000 bankers have graduated from Stonier, the nation's oldest graduate school of banking. Two additions to the curriculum in the 1983 session were eight hours of micro-computer training and a 12-hour purposeful-management module, according to Dr. William H. Baughn, SGSB director.

The introductory micro-computer segment is required of all first-year students who must build a strategic financial planning module, said Dr. Baughn. Second-year students this year had access to micro-computers during their unscheduled time so they could familiarize themselves with Visicalc commands, build simple-interest expense forecasts or move into a complex, five-year strategic planning model, he said.

The purposeful-management module provides students with new knowledge and skills they can use to change motivation, attitudes and values and expand behavioral skills in setting and achieving organizational goals.

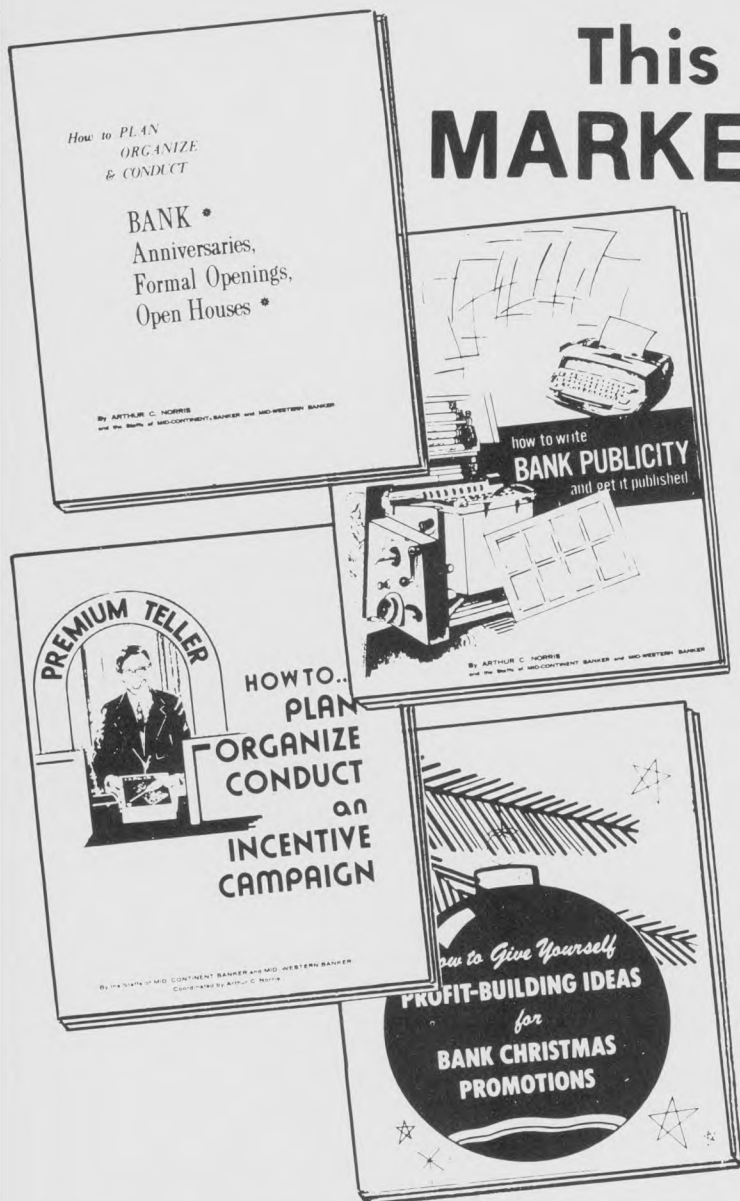
The Center for Creative Leadership, an education/research firm, developed and conducted the training program which is a part of the third-year curriculum, said Dr. Baughn.

For an application or more information, call Banker Education Network at 202-467-6738.

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The complete guide to procedure when holding a formal opening, an open house, any kind of bank celebration; 166 pages, many illustrations; 12 chapters starting with "First Things First," ranging through "Add a Little Pizazz and Oom-pah," concluding with "Expect the Unexpected"; eight appendices containing actual plans, budgets, programs used by banks in actual celebrations; a completely factual, step-by-step how-to-do-it book now in its second printing.

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## Bank Training Tapes Offered By MABSCO Subsidiary

Rental of videotapes featuring bank training information is possible on a flexible, cost-efficient basis through a new service from Mid America Bankers Service Corp. (MABSCO), the consortium of 12 state bankers associations, according to Rowland McClellan, president, MABSCO Video Services, Inc. (MVSI).

The new service, called Video Bank Education Service (VIBES), is available to member banks in the MABSCO region, said Mr. McClellan, who also is president, Bank of Wisconsin, Janesville. Once banks have paid an enrollment fee set by each state association — \$200 is the average — they may rent training tapes for \$35, entitling them to five business days' use. Warehousing and distribution of tapes is provided by the media resources center at Iowa State University, Ames, through contract with MVSI.

The 31 training tapes currently available through VIBES were produced by American Learning Systems, Inc., Memphis, and cover such topics as teller skills, security, customer relations and professional officer calls.

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They are available in three different videocassette formats. The service, said Mr. McClellan, permits banks to provide personnel with quality training materials with greater flexibility and at a fraction of the cost of training alternatives.

The VIBES inventory — which will be expanded from time to time — is intended to supplement, not directly compete with, other bank training materials on the market, according to Mr. McClellan. MVSI is located at 430 Liberty Building, Des Moines, IA 50308.

## Convention Calendar

(Continued from page 4)

- Nov. 13-17: Bank Marketing Association Trust Marketing Conference, Dallas, Fairmont Hotel.
- Nov. 27-Dec. 2: ABA National Commercial Lending Graduate School, Norman, Okla., University of Oklahoma.
- Dec. 5-9: Bank Marketing Association Southeastern Essentials of Bank Marketing School, Athens, Ga., University of Georgia.
- Dec. 11-14: Bank Administration Institute ATM/6-National Conference, Atlanta, Hilton Hotel.
- Jan. 15-18: Bank Administration Institute PATH Conference on Productivity, New Orleans, Sheraton Hotel.
- Jan. 20-21: Equipment-Lease Seminar, New Orleans, Marriott Hotel.
- Jan. 31-Feb. 3: ABA Insurance & Protection National Conference, San Francisco, Hyatt Regency Hotel.
- Feb. 5-8: ABA National Trust Conference, San Francisco, San Francisco Hilton & Tower.
- Feb. 5-8: ABA Telecommunications and Financial Networks Workshop, San Francisco, Hyatt Regency San Francisco.
- Feb. 12-16: Bank Administration Institute Bank Auditors Conference, New Orleans, Hyatt Regency New Orleans.
- Feb. 12-24: ABA National School of Retail Banking, Norman, Okla., University of Oklahoma.
- Feb. 14-17: ABA Bank Investment Conference, Atlanta, Atlanta Hilton & Towers.
- Feb. 26-29: ABA National Assembly for Community Bankers, Phoenix, Hyatt Regency Phoenix.
- Feb. 29-Mar. 2: ABA National Credit/Correspondent Banking Conference, Phoenix, Hyatt Regency Phoenix.

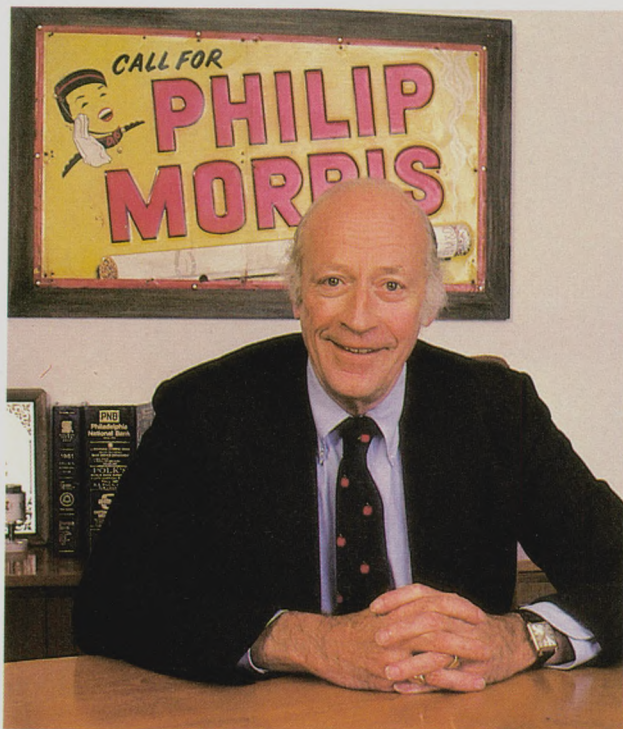
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- Mar. 4-7: ABA Trust Operations and Automation Workshop, San Diego, Sheraton Harbor Island.
- Mar. 4-7: Bank Administration Institute Security Conference & Exposition, Washington, D.C., Sheraton Hotel.
- Mar. 11-13: ABA Corporate Commercial Marketing Conference, Denver, Fairmont Denver.
- Mar. 18-21: National Automated Clearinghouse Association, 1984 NACHA Surepay Conference, New Orleans, Fairmont Hotel.
- Mar. 19-23: Bank Administration Institute Check Processing Conference, Dallas, Amfac Hotel.
- Mar. 23-24: Equipment Lease Seminar, Nashville, Opryland Hotel.
- Mar. 25-29: Independent Bankers Association of America Annual Convention, New Orleans, New Orleans Marriott.
- Mar. 25-Apr. 5: ABA National Commercial Lending School, Norman, Okla., University of Oklahoma.
- Mar. 28-Apr. 1: Association of Reserve City Bankers 73rd Meeting, Boca Raton, Fla., Boca Raton Hotel.
- Apr. 6-10: Louisiana Bankers Association 84th Annual Convention New Orleans, Hilton Riverside & Towers.
- Apr. 8-10: Conference of State Bank Supervisors Annual Convention Tarpon Springs, Fla., Innisbrook.
- Apr. 8-11: ABA National Retail Banking Conference, New York, New York Hilton.
- Apr. 8-13: Robert Morris Associates Loan Management Seminar, Columbus, O., Ohio State University.
- Apr. 16-18: Ohio Bankers Association Annual Convention, Columbus, Hyatt Regency.

## Financial Buyers Guide Index

ACL Bank Systems .....	61
Agricareers, Inc. ....	66
American Bankers Association .....	23
Arrow Business Services, Inc. ....	S/12
Bacon, Richard L., AIA Architect & Associates .....	18
Bancvest Brokerage Service .....	45
Bank Administration Institute .....	43
Bank Board Letter .....	S/25, S/27, 59
Bank Building Corp. ....	11
Bank Marketing Association .....	57
Bank Training Systems, Inc. ....	S/21
Bankers Trust Co. ....	3
Banking Consultants of America .....	25
Bavis & Associates, Inc., E. F. ....	27
Boatmen's National Bank, St. Louis .....	68
Brandt, Inc. ....	19
Bunce Corp. ....	S/10
Centerre Bank, St. Louis .....	35
Cheshire Inn & Lodge .....	53
Chubb Systems Midwest .....	S/17
Cole-Taylor Financial Group .....	32-33
College for Financial Planning .....	29
Commerce Bank, Kansas City .....	7
Commercial Credit Business Loans, Inc. ....	14
Commercial National Bank, Kansas City, Kan. ....	37
Continental Bank, Chicago .....	35
Design/Build Concepts .....	S/9
First Alabama Bank, Montgomery, Ala. ....	S/22
First Lease & Equipment Consulting Corp. ....	47
First National Bank of Commerce, New Orleans .....	S/1
First National Bank, Kansas City .....	31
First Oklahoma Bancorporation, Oklahoma City .....	S/5
Fourth National Bank, Wichita .....	S/19
HBE Bank Facilities Corp., St. Louis .....	12-13
Hagan & Associates, Tom .....	66
Horizons 60 .....	55
Industrial Life Insurance .....	61
Liberty National Bank & Trust Co., Oklahoma City .....	2
Louisiana Bankers Assn. ....	63
MPA Systems .....	S/26
Mellon Bank, Pittsburgh .....	39
Mercantile Bancorporation, St. Louis .....	S/3
Mid-Continent Banker .....	65
Midland Bank & Trust Co., Memphis .....	S/7
Mosler Safe Co. ....	41
North Central Life Insurance Co. ....	2
Northern Trust Co., Chicago .....	31
Polk & Co., R. L. ....	67
Rothschild, Unterberg, Towbin, L. F. ....	5
Sallie Mae .....	21
Security Schools, Inc. ....	49
SignMaster Corp. ....	S/23
Son Corp. ....	S/24
Third National Bank, Nashville .....	S/15
Travelers Express .....	37
Union National Bank, Little Rock .....	33
United States Banker .....	51
Whitney National Bank, New Orleans .....	S/11

# "Creative ideas get my attention. Wasting my time gets me mad!"



The POLK Round Table:  
Number 1 in a series.

by F. Harrison Poole,  
Vice President and  
Treasurer, Philip Morris,  
Incorporated

## **Banks are our partners.**

We like to say banks are our partners. In fact, it's not an exaggeration to say we can't live without commercial banks. We have approximately 80 line banks... and deal with about 160 banks worldwide.

But it takes a special quality of bank, and a special quality of banker, to do business with Philip Morris.

We demand excellence in everything. We demand it of ourselves in our products, our operations, our marketing and our management. And we demand it in our banks.

If your bank doesn't have it, then save us both a lot of time and don't bother coming around!

## **Creativity and responsiveness.**

We define excellence with two words: creativity and responsiveness. Experience has shown that without these two qualities a bank can't do very much for us... or probably anyone else, for that matter.

The banker that comes into my office and says, "What can I do for you today?" really turns me off. He wants me to turn handsprings just because he's there. Well, it's not going to happen!

But the banker who comes in with creative ideas... who has a plan that can help us do business better... well, he's someone we want to talk to. We are very receptive to a good idea... even if we aren't presently doing business with that bank.

The other thing we need is responsiveness. If we go to a bank, we expect to get a response! It doesn't have to be positive. But we need a response right away.

## **Our problems are your opportunities.**

Of course, to respond quickly, our bankers have to know all about us. Well, we work hard to let our banks know.

But communication is a two-way street. We want... we *have* to know what's going on in your bank. The calling officer who can take our ideas and run with them... come back quickly with better ideas... get a *decision* from his bosses... well, this is a banker who's going to do well with us.

## **We bank where we work.**

We're continually expanding... building or buying into all kinds of places. It's darned important to have a bank... a local bank... that can be responsive to our needs.

The local banker is probably the most important citizen in town, particularly in the smaller towns. For example, when we went into Eden, North Carolina, we didn't know a soul there.

But the banks introduced us around. They helped us meet the right people and get accustomed to the area. They helped us and now, I dare say, we're helping them.

## **Be aggressive. Be accessible.**

Our business depends on strong marketing. But the banking business is no different. If you simply follow the others you'll never get our business. We try new ideas. And we listen to the

marketplace. But some banks try to dictate to the marketplace. That simply isn't going to work anymore.

We want banks to come to us. But we're not shy about looking for good banks, either. That's where we often use the Polk's Bank Directory.

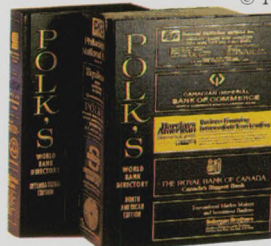
## **We break out the Polk's.**

Before we went into Trenton, Ohio with Miller Brewing Company, we broke out the Polk's Bank Directory. Now, it's pretty hard to find Trenton on the map, much less know who to bank with. So before we went out there, we did a detailed study of the banks, and we knew exactly who to call on. Without Polk's, we would have had a very difficult time.

There's no question that the more information a bank reports in Polk's, the easier it is for the corporate financial officer to find what he's looking for. This kind of information is vital!

Before you can be creative, you have to be informed. To respond quickly, you have to have accurate information. We pride ourselves in knowing what's going on... and expect this from everyone we deal with. That's why we frequently turn to Polk's Bank Directory. Polk's has the answer.

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**Polk's has  
the answer.**

**R. L. POLK & CO.**

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# Boatmen's Ernie Hellmich Operations Assistance.



Boatmen's Correspondent Banking Officer Ernie Hellmich and J. D. Moss, President and Chief Executive Officer of Litchfield Bank and Trust Company. Whatever your correspondent needs, Boatmen's has knowledgeable people to assist you. Call Ernie Hellmich. He can help.



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