

NORTHWESTERN *Banker*

APRIL
1975

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How to Comply with OSHA

Future of Credit Life

Lease Insurance and Banks



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NORTHWESTERN Banker

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82nd Year No. 1339

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NORTHWESTERN BANKER

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Conventions Calendar

- Apr. 7-9—ABA National Instalment Credit Conference, Conrad Hilton Hotel, Chicago.
- May 4-6—Illinois Bankers Association Annual Convention, Palmer House, Chicago.
- May 4-6—Nebraska Bankers Association Annual Convention, Omaha Hilton, Omaha.
- May 7-9—North Dakota Bankers Association Annual Convention, Grand Forks.
- May 11-14—ABA National Operations & Automation Conference, Americana Hotel, Bal Harbour.
- May 15-16—South Dakota Bankers Association Annual Convention, Holiday Inn, Aberdeen.
- May 15-17—NABW Northwestern Regional Conference, Washington Plaza Hotel, Seattle.
- May 18-20—BAI 26th Northern Regional Convention, Galt House Hotel, Louisville, Ky.
- May 23-25—NABW Western and Rocky Mountain Regional Conference, St. Francis Hotel, San Francisco.
- May 25-30—BMA Essential's of Bank Marketing Course, University of Colorado, Boulder.
- May 25-June 6—BMA School of Bank Marketing, University of Colorado, Boulder.
- June 4-6—NABW Lake, Midwest and Central Regional Conference, Holiday Inn, Bismarck, N. D.
- June 4-8—Colorado Bankers Association Annual Convention, The Broadmoor, Colorado Springs.
- June 8-10—Nevada Bankers Association Annual Convention, Sahara Tahoe Hotel, Lake Tahoe.
- June 9-11—Minnesota Bankers Association Annual Convention, Arena-Auditorium, Duluth.
- June 11-13—Wyoming Bankers Association Annual Convention, Jackson Lake Lodge, Moran.
- June 15-18—Idaho Bankers Association Annual Convention, Sun Valley Lodge, Sun Valley.
- June 18-21—Utah Bankers Association Annual Convention, Main Lodge, Sun Valley.
- June 19-20—Oregon Bankers Association Annual Convention, Sunriver Lodge, Sunriver.
- June 19-21—Montana Bankers Association Annual Convention, Jackson Lake Lodge, Moran.
- June 22-24—Washington Bankers Association Annual Convention, Tyee Motor Inn, Olympia.
- August—IBAA Senior Bank Officer Seminar, Harvard University.
- Sep. 29-Oct. 2—BMA Annual Convention, Las Vegas Hilton, Las Vegas.
- October—IBAA Junior Bank Officer Seminar, Ball State University, Muncie, Ind.
- Oct. 4-8—ABA 101st Annual Convention, New York.
- Oct. 17-18—Association of Registered Bank Holding Companies Fall Meeting, Kahala Hilton Hotel, Honolulu.
- Oct. 26-29—Iowa Bankers Association 89th Annual Convention, Hotel Fort Des Moines, Des Moines.
- Oct. 26-29—BAI 51st Annual Convention, Marriott Motor Hotel, Atlanta.
- Nov. 10-13—Robert Morris Associates 60th Fall Conference, Hyatt Regency, Atlanta.



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Melamed Says CFTC Must Maintain Exclusive Regulation of Futures Markets

LEO Melamed, chairman of the International Monetary Market of the Chicago Mercantile Exchange, recently warned that it is imperative the new Commodities Futures Trading Commission (CFTC) maintain exclusive jurisdiction over the nation's futures markets.

"No other method of regulation over this complex industry would make sense," he declared, speaking to legal experts, brokerage firm executives and businessmen attending a Conference on the CFTC Act of 1974.

"Any form of dual regulation is bound to have severe adverse effects, not only on the business of futures, but on the primary industry it serves — the agricultural complex of the United States.

Noting that it has been an increasing pattern for the states to pass legislation (for revenue raising purposes) overlapping that of the federal government, he commented: "Clearly, if anything can single-handedly disrupt and cause the demise of this industry, it is

this very type of burdensome and costly multiplicity of regulation."

The I.M.M. chairman said the dual regulation question is one of two "gray areas" concerning the CFTC, which is scheduled to go into effect April 23, 1975.

A second hazy spot concerns the regulation of gold and silver not traded on futures markets. Mr. Melamed said. Under the CFTC Act, the commission will assume jurisdiction over these two commodities, which today — at least in markets other than futures — are governed by the Securities and Exchange Commission.

Still, the SEC seeks to regulate so-called "leverage contracts" and therefore would be ministering to the same area as the CFTC under its Section 217.

"My own belief is that Congress intended Sec. 217 to confer exclusive jurisdiction to the CFTC in regard to leverage cash contracts of gold and silver," he said.

Mr. Melamed believes that the

treatment of gold and silver under the CFTC will be "no different than another metal or commodity" and "at the moment . . . this is consistent with our overall national policy.

"From past performance, however, I would guess that it was an inadvertent occurrence," he said, as "consistency is not the long suit of government."

In addition to the various criss-cross of legislation between the federal and state governments, there has been additional regulation by government agencies, such as the Federal Reserve Board, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Federal Trade Commission, the Justice Department, the Postal Inspection Service and the SEC, he pointed out.

"We can, thus, anticipate a host of regulations of every kind and form which will apply to sales of gold and probably silver in the coming months of 1975," Mr. Melamed said. He declined to speculate on what kind of regulation will be forthcoming but he inferred there will probably be more "inevitable contradiction and confliction."

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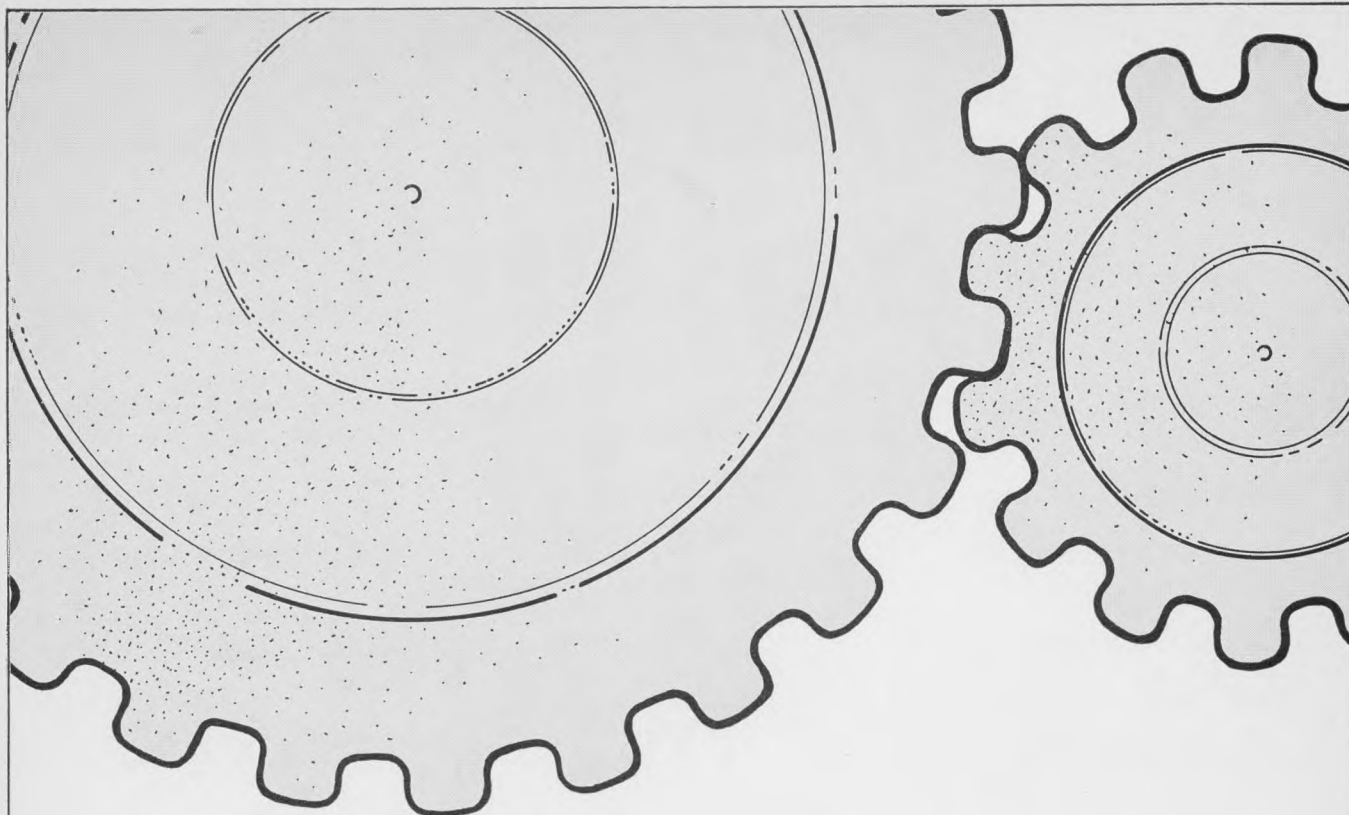
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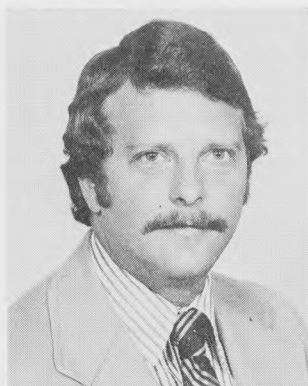
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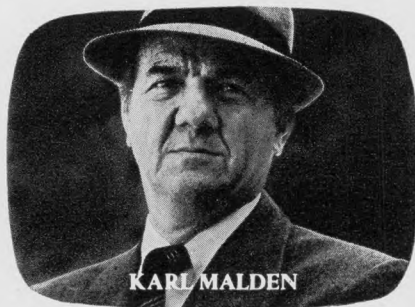
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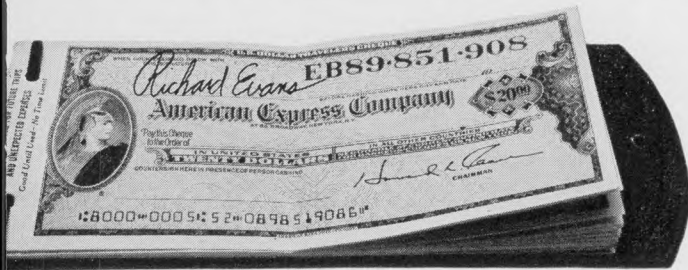
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*Figures projected from a sample selected and questioned by A.C. Nielsen Co., in March 1973.



Bank Promotions and Changes

PROMOTIONS and other news announcements have been made by the following banks:



G. E. KUBIN

Bank of America, San Francisco:

George E. Kubin has been appointed vice president and manager of Bank of America International of Chicago, the

Edge Act international banking subsidiary of California's Bank of America, Inc. Mr. Kubin, assigned to international banking duties since joining the bank in 1957, assumes the post after four years with the bank's former multinational and now world banking division in Los Angeles where he was a vice president specializing in American investments for overseas companies.

First National City Bank, New York: Charles E. Long and Donald M. Roberts have been named senior vice presidents. Mr. Long heads the checking and consumer credit opera-

tions divisions in the New York Banking Group, while Mr. Roberts is in charge of commercial lending to a variety of commercial and industrial companies. Mr. Long joined the bank in early 1972 as an assistant vice president and deputy director of the data processing center. Mr. Roberts joined the bank as a trainee in the national division in 1957, in 1961 was made an officer, and in 1967 was named a vice president.

LaSalle National Bank, Chicago:

The bank has announced the expansion of its board and the appointment of James J. Glasser as a director. Mr. Glasser is president and chief operating officer of General American Transportation Corp. (GATX) and has extensive legal and leasing experience.

Mercantile Bancorporation, St. Louis:

Donald E. Lasater, chairman and chief executive officer of Mercantile Bancorporation, Inc., and its lead bank, Mercantile Trust Co., has been granted leaves of absence from his positions pending the outcome of indictments for perjury.

Mr. Lasater was indicted recently by a federal grand jury in Kansas City on four counts of perjury. The grand jury is investigating possible wrongdoing by the administration of Warren E. Hearnes, former Missouri governor.

Harrison F. Coerver, vice chairman of Mercantile Bancorporation and president of Mercantile Trust, will serve as chief executive officer of both corporations.

The bank also has announced the following promotions: James E. Denny and J. Robert Fitzsimmons, assistant vice presidents; Martha S. Young, accounting officer; Kenneth N. Berjer, consumer credit officer; David A. Pickerill, assistant cashier; Jane D. Brown, assistant trust officer and Carol Ann Brouse, assistant data processing officer.

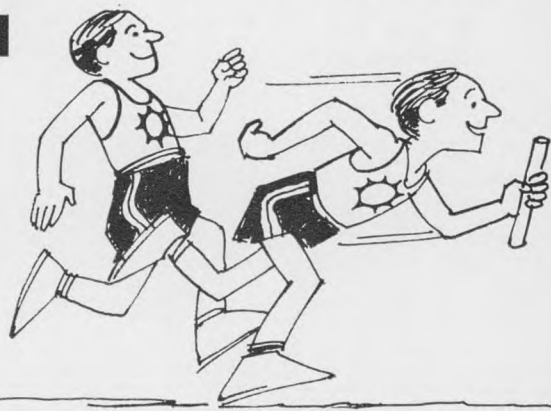
United Missouri Bank of Kansas City:

R. Crosby Kemper, chairman, has announced the following changes: Dan S. Spencer, Jr., head of the operations department, was promoted to executive vice president. He joined the bank in 1969 after 15 years with branches of the Kansas City Federal Reserve Bank.

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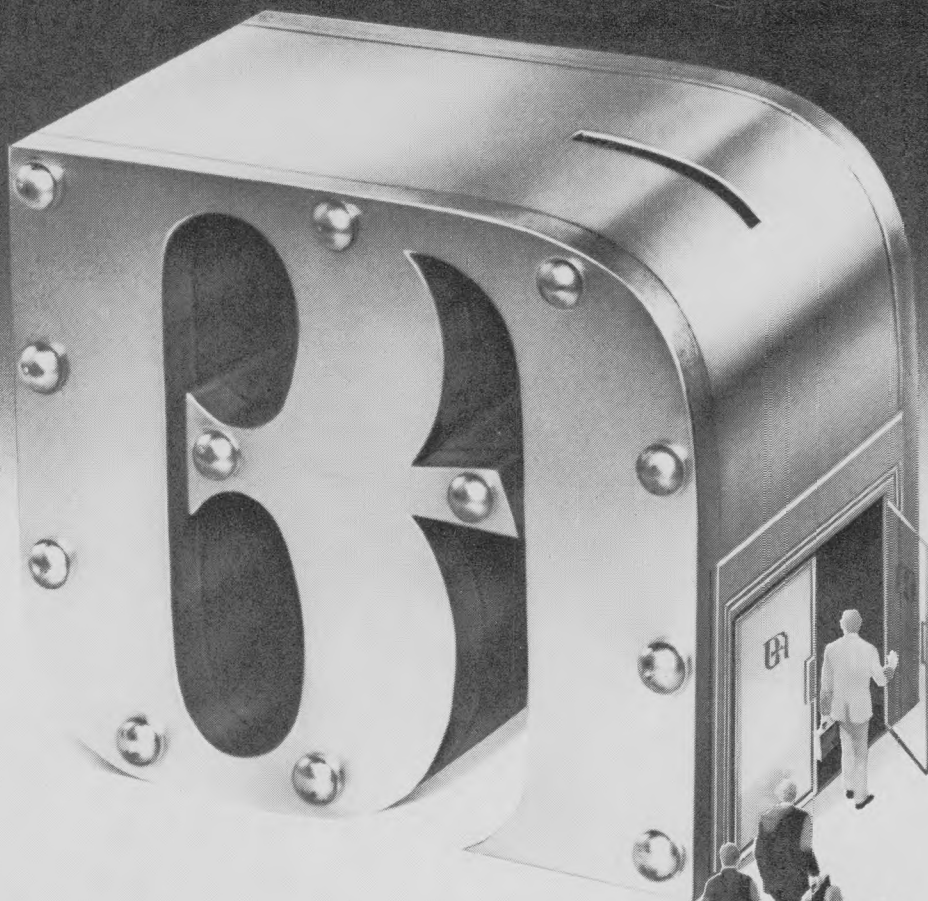
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promoted to vice president. They are Lyman C. Bacon and Robert F. Henriksen, commercial loans; Thain T. Anderson and Michael T. Fleming, new business, and Janet Sue Epperson, trust investment. Named assistant vice presidents are Michael R. Hart, David C. Shindeldecker, Barbara A. Carlson, Rodney G. Horton, Phillip D. Straight, Thomas J. Wood, III, Michael L. McAuley, Terry R. Post, M. M. Aslin, Robert L. Widlund, and W. David Van Aken.

Commercial Lending School Scheduled for April 27

More than 100 bankers from across the country will attend the first of two resident sessions for the graduating class of Fall, 1975, of the National Commercial Lending Graduate School.

The session will be held April 27 — May 2 at the Oklahoma Center for Continuing Education, University of Oklahoma, Norman.

A. Robert Abboud, chairman of the American Bankers Association's (ABA) commercial lending division which sponsors the school, explained the school's curricular structure. "The school is designed not only to provide the students with the latest management methods and analytic tools for their credit-granting task but also to stimulate continued professional development," he said.

Mr. Abboud, who is also deputy chairman of the board of The First National Bank of Chicago, said the graduate school is oriented to experienced bank commercial lending officers and offers a managerial perspective of lending to business and industry.

Master Charge Domestic Volume Up 25.5%

Domestic dollar volume on the Master Charge card for the year 1974 reached on all-time record high of \$9.88-billion, an increase of 25.5% over 1973 results, according to Interbank Card Association, licensor of the Master Charge card.

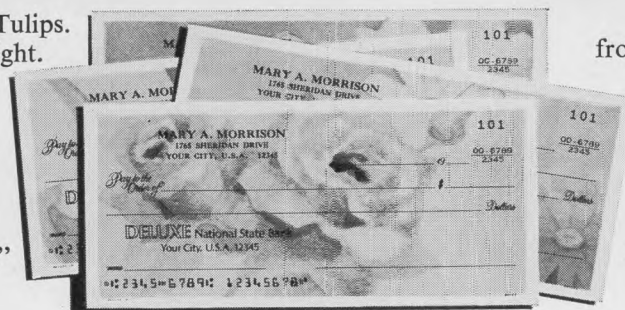
Retail sales volume increased 24.3% to \$8.67-billion and cash advance volume 35.3% to \$1.21-billion.

Outstandings for the year ended December 31 were \$4.81-billion up 27.7% from the \$3.77-billion reported at the end of 1973. The average outstanding balance per active account was \$352.74, up 11.9% from \$315.27.



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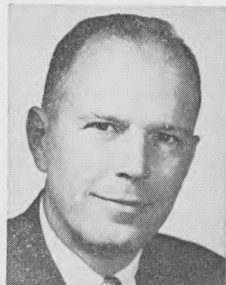
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Stults Says Inflation and Recession Are Not Causes of Economic Woes

INFLATION and recession are not the causes of economic problems but are only "by-products resulting from the lack of understanding of how our free enterprise system works," said Allen D. Stults, chairman, American National Bank & Trust Co., Chicago. Mr.



A. P. STULTS

Stults was speaking before an American Legion convention honoring Indianapolis banker Francis Polin.

The former president of the American Bankers Association said the low level of economic literacy of the general public as well as among elected representatives reflects in actions which are detrimental to the long range best interest of the country.

"There is little understanding and considerable misconception of capitalism, or free enterprise system,

and the role of profits in making the system function for the benefit of society as a whole," he commented. "This results in well meant but misguided criticisms, recommendations and actions."

"Government involvement in any segment of business will always be detrimental," he said. "The evidence is ample and documentation irrefutable. Our agricultural and transportation industries, our postal system all give sad testimony to this fact. Further verification will be seen when we assess government's intervention in our energy industries."

"The rugged American individualism demonstrated by people like Fran Polin is essential to the understanding and development of our economic system. Unfortunately, we do not and will not experience that individualism and, therefore, a good general knowledge of economics is not prevalent.

"Recognition of this reality places an obligation on the business community to discharge economic knowl-

edge by continual clarification and dissemination of economic truth and fact," he said. "It is only in this manner that the by-products of our economic system can be kept in balance."

BMA Publishes Suppliers Guide

The Bank Marketing Association's Information Services Department has just released a new publication, "The Bank Marketers' Guide to Suppliers and Services." The directory lists hundreds of sources able to help banks in their varied marketing activities.

In response to frequent requests by member banks, BMA's Information Center has for the first time condensed this material into a compact 57-page publication. All listings presented in the new directory have been compiled, checked and updated.

"The Bank Marketers' Guide to Suppliers and Services" is available to BMA members for \$7; non-members, \$12. Requests for this publication should be directed to Order Department, Bank Marketing Association, 309 West Washington Street, Chicago, Ill. 60606.

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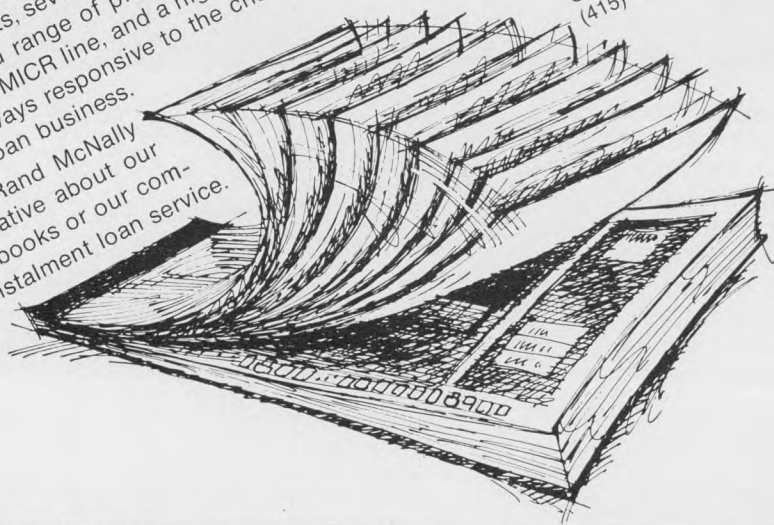
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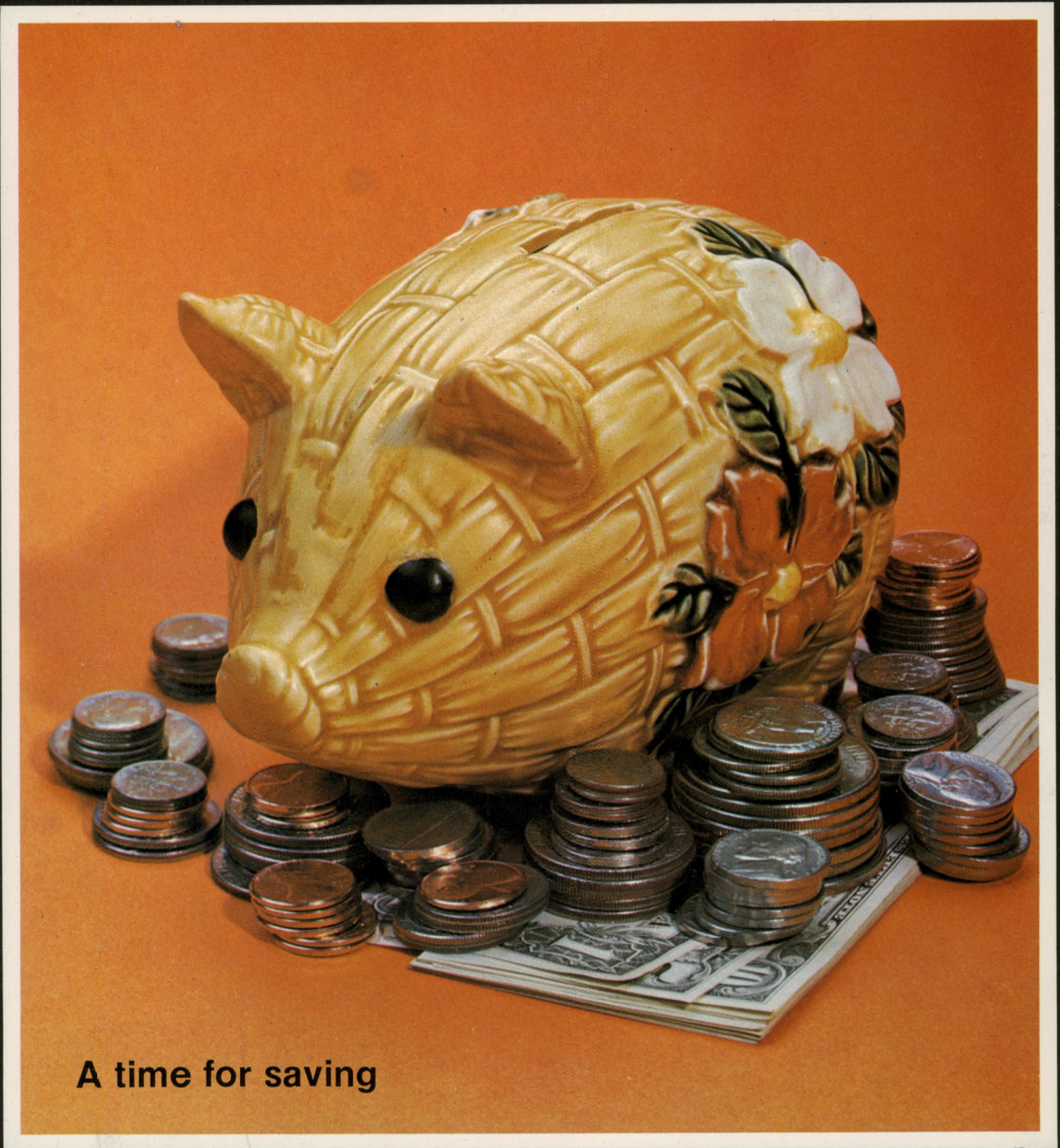


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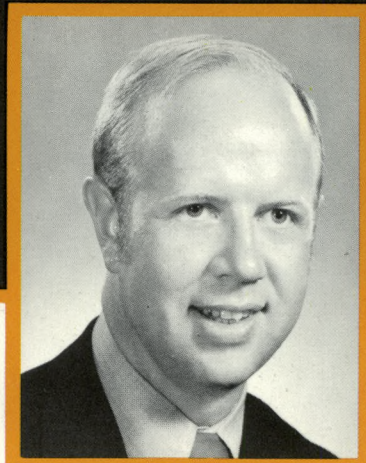
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PERSONAL BANKER



Don Jordahl Publisher

HELLO! I'm the publisher of YOUR PERSONAL BANKING NEWSLETTER. I know the value of marketing and communications in the banking business I've been a banker since 1960. Most recently I was Senior Vice President, Marketing Officer and a Director of a Brenton Bank in Des Moines. I'm a graduate of Iowa State and the Wisconsin Graduate School of Banking. I've enjoyed teaching American Institute of Banking classes plus serving as president of the Des Moines AIB Chapter.

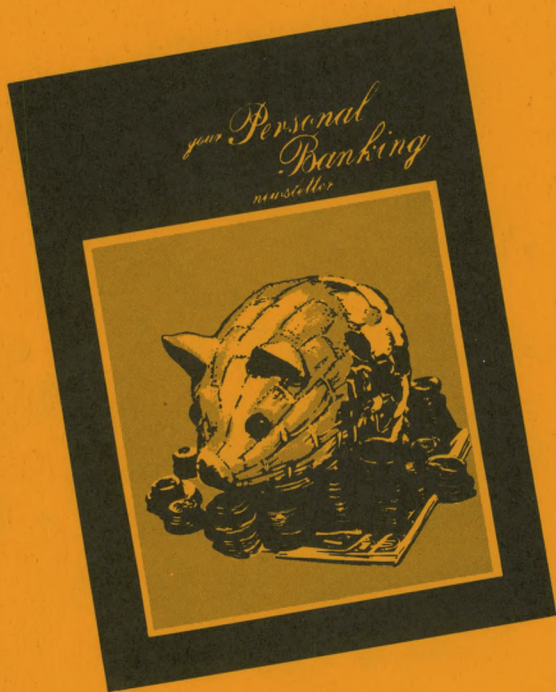
Personal Banking Communications, Inc., is a new company. We incorporated on January 29, 1975. To assist in publishing our newsletter, I enjoy a professional association with Creative Services, Inc., a communications and specialized publishing company supported by a professional staff of 6 editors and 3 artists. Their clients include Borden Chemical, Massey-Ferguson, DeKalb, Monsanto and the Iowa Development Commission.

As a subscribing bank, YOUR PERSONAL BANKING NEWSLETTER is your bank's newsletter. It reflects your bank. Your picture or the picture of one of your associates would be featured above. You're encouraged to write your own marketing message for this space . . . putting the marketing spotlight where you want it.

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Corporate News

PROMOTIONS and other announcements have been made by the following business firms:

Central States Health & Life Co., Omaha, Nebr.: The company has announced the following promotions to officer status: Leo B. Weckerlin, assistant vice president and manager of agency administration; Richard A. Onken, assistant secretary and manager of systems, and William Michael Kizer, assistant treasurer and manager of corporate accounting.

Credit Systems, Inc., St. Louis: Michael W. Gegen, vice president of the First National Bank of Kansas City, has been elected a director of Credit Systems, the operational center for Master Charge credit card in the midwest.

Docutel Corporation, Irving, Tex.: George Briggs has been elected a director replacing James T. Callier, Jr., who resigned to join McKinsey & Company. Mr. Briggs is senior vice president and manager of the marketing planning division of Seattle First National Bank.

Financial Insurance Service, Inc., Des Plaines, Ill.: Wm. Chris Eickhof,

Jr., has been elected president. He had been executive vice president and director since the firm's inception in 1969. During the past six years, he has been charged with underwriting operations as well

as claims supervision. Mr. Eickhof, former owner of the Columbus, Ohio, insurance agency was with Travelers Indemnity Co. earlier in his career, at the Richmond, Va.; Chicago and Oklahoma City branches.

Kirchner, Moore and Company, Denver: Robert M. Kirchner, founder of the company, has been named honorary chairman of this municipal bond firm's board. Taking his place as chairman is Ronald L. Moore who has shared the board chairmanship with Mr. Kirchner for the past several years.

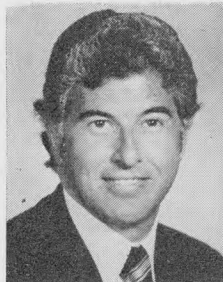
MoAmCo Corp., Minneapolis: Mac D. Hoy, 58, has been elected president, replacing Robert T. Wienert, 44, who resigned. My Hoy founded and was president of Nantucket Leasing Co. in Minnetonka, Minn.

Mosler, Hamilton, Ohio: Loren R. Watts has been appointed vice president, field operations of this American-Standard Company. Mr. Watts came to the company from Vendo Company in Kansas City where he was vice president, corporate sales and marketing. In his position Mr. Watts will direct all domestic field sales, installation and service operations as well as a number of important company support activities at the Hamilton headquarters.



L. R. WATTS

National BankAmericard, San Francisco: Bennett R. Katz and Charles T.



B. R. KATZ



C. T. RUSSELL

Russell have been named executive vice presidents of NBI, which administers the U. S. BankAmericard program. Each will assume executive responsibility, under a new corporate structure, for three of the company's six divisions and will report to D. W. Hock, president.

Mr. Katz will be responsible for the law, international and finance divisions; Mr. Russell will be responsible for the operations, development and marketing divisions.

David A. Wagman, vice president, has been named to replace Mr. Katz as head of the law division and general counsel. David A. Huemer, vice president, will assume Mr. Russell's previous responsibilities as head of the operations division.

Executive Vice President John A. Dillon will have responsibility for acquisition of new members, industry relations and special projects.

James Talcott, Inc., New York:

James L. Tonus has been elected a vice president of the business finance division. He joined the company in 1965 and was operations manager of the business finance division's Los Angeles district office.



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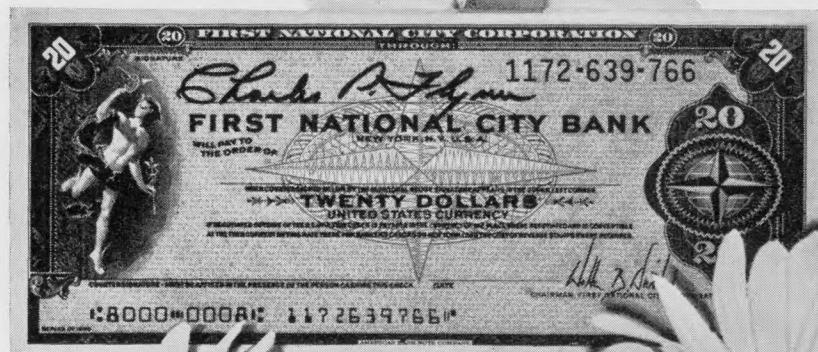


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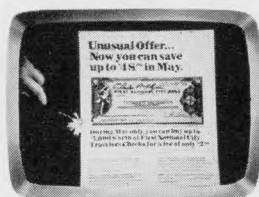
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New Film Updates Bankers on EFT Progress

"THE FUTURE in Your Hand," is the title of an educational film on the subject of electronic funds transfer systems recently released and distributed by The Graduate School of Banking at the University of Wisconsin, Madison. The film, according to Carl A. Bowman, chairman, board of trustees, is intended primarily for banker audiences and is a timely and authoritative review and projection of what EFT is, and can be, to banks of all sizes.

This 27-minute color film, with an accompanying brochure, discusses the historical evolution of EFT; illustrates systems now in existence; describes the competitive and legislative environments in which EFT systems are being developed; identifies advantages of EFT to the banker, retailer and consumer; and provides a glimpse into the future as seen by noted bankers, regulatory officials and financial scholars.

Featured in the film are: James

Smith, Comptroller of the Currency; Professor Paul R. Nadler, Rutgers University, John Reed, First National City Bank, New York; John Fisher, City National Bank & Trust of Columbus; John Dean, First Federal Savings & Loan of Lincoln, and Fred Meyer, Fred Meyer Discount Centers of Portland, Ore.

Russell C. Browne, formerly of The Omaha National Bank and now advisor for payments systems to the Comptroller of the Currency, served as technical consultant on the film, produced by Sight & Sound, Inc. of Omaha, Nebr.

Purchase price for the film is \$150 for members and banks of the Central States Conference of Bankers Associations, or \$200 to others within or serving the banking industry. Brochures are \$5 per hundred. An introduction and discussion guide is provided free-of-charge.

Further information on the availability of film prints and brochures can be obtained from The Graduate School of Banking, 122 West Washington Avenue, Madison, Wis. 53703 (608/256-7021).

BMA Forms Advertising Ethics Committee

C. Harry Domm, president of the Bank Marketing Association and vice president, Girard Bank, Philadelphia, announced the formation of the bank advertising ethics committee to examine the possibilities of abuse in advertising practices within the banking industry and, if so, to determine the best way to correct those abuses.

Chairman of the committee is Jack W. Whittle, vice president-marketing, Continental Illinois National Bank, Chicago.

Members of the committee are Alan Eirinberg, first vice president, Exchange National Bank of Chicago; Joseph A. Hall, vice president, Chemical Bank, New York City; Susan Horn, director of marketing, Citizens National Bank of Macomb, Ill.; Fairfax Randolph, vice president and director of marketing, Marine National Bank, Erie, Penn.; Richard M. Rosenberg, senior vice president, Wells Fargo Bank, San Francisco, and James B. Watt, senior vice president-consumer banking, Essex County Bank and Trust Company, Lynn, Mass.

Participating for the American Bankers Association is Kenneth DeCesare, advertising director.



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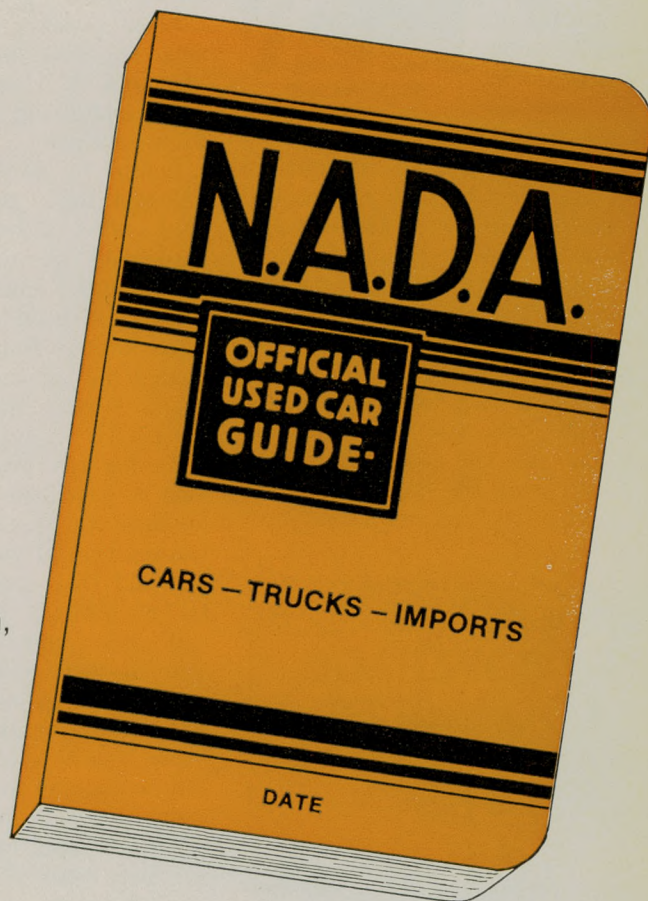
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Nadler Tells Bankers To Limit Diversity

CAPITAL, liquidity and lack of diversity will be the hallmarks of the successful bank in 1975, according to Dr. Paul Nadler. In a keynote luncheon before United Bank of Denver's second annual Correspondent Banking Seminar, the Rutgers University professor said, "Given the nature of the present outlook for the economy, efficiency in spread management and a conscientious approach to restrict banking performance will mean the difference to small and medium sized banks in the coming year."



P. S. NADLER

Mr. Nadler said the goals of banking in 1975 are to win the public's confidence, reduce the public's confusion about who manages the monetary policy and beat the competition without giving away the bank.

Included in the program attended by

more than 145 bankers from throughout the Rocky Mountain region, were United Bank of Denver's Bill Loring, senior vice president, credit management division, speaking on, "Managing Loans in 1975"; Carroll Speckman, senior vice president, funds management division, "Managing Assets and Liabilities"; Chuck Hazelrigg, senior vice president, commercial banking division, speaking on "Planning To Meet the Profit Challenge"; and Dick Kirk, executive vice president, addressing the topic of "The Profit Outlook."

During a panel discussion which followed their presentation, the four bank officers joined Dr. Nadler in answering questions from bankers attending the seminar. Don Buchanan, senior vice president, operations division, United Bank of Denver, concluded the seminar with a discussion of the topic, "Preparing Your Bank for EFTS."

During his presentation on future loan management, Mr. Loring stressed the need for limiting credit and careful management of present loan portfolios. He said that areas particularly hard hit by present economic conditions will show improvements during the year in their abilities to repay their loans, but loan losses and foreclosures will show a marked increase.

Mr. Loring said the prudent banker will be looking to make more secured loans in 1975 and, though primarily will be looking to borrowers to work out their credit problems if and when trouble occurs, will be prepared to move promptly on problem situations.

Assess the Situation

Mr. Speckman, told the correspondent bankers they must assess their own situations and determine for themselves what spread and ratios they wish to maintain. He stressed the need to develop a liquidity plan and pursue its implementation.

Acknowledging the difficulty of 1974, he said a good banker must recognize the need to manage his assets and liabilities, control his growth and strive for consistently good profit.

Mr. Hazelrigg stressed the need for efficient and realistic planning. He said at United Bank of Denver the planning process provides direction for the coming year in the perspective of long range goals.

According to Mr. Hazelrigg, planning is more than putting numbers on paper. Reviewing past experience, estimating future performance and measuring success all are facets of the planning process. He stressed that the planning process should encompass programs which will achieve both the financial and non-financial goals of the bank.

Allow Time

Mr. Hazelrigg said in order for the planning process to be effective, a bank must allow plenty of time for the development of the plan, establish a form and description for the plan, forecast the economic environment, develop accountable profit centers, communicate the plan and gain the commitment of those who will contribute to its achievement.

"The planning process could be either formal or informal but the end rewards of the planning process are seeing the results and making the plan happen."

Year of Challenge

Mr. Kirk pointed to 1975, as a year of greater challenge than 1974. He said banks are competing for the capital resources with every major industry. He pointed to profits as being important for attracting competent personnel, building needed capital, satisfying regulating requirements and fulfilling the desires of the stockholders.

"The profit picture will be varied in '75, just as it has been in 1974," Mr. Kirk noted, "but sound asset/liability planning and management will make the difference in the coming year." He went on to outline a number of areas which could heavily influence the profit outlook.

EFTS will allow banks to not only have a larger share of the consumer credit market, but will improve the convenience of banking for bank customers while reducing the labor intensity of the banking industry, according to Mr. Buchanan.

Speaking on the impact of EFTS on banks under \$75 million, Mr. Buchanan noted that retail merchants have captured a large part of the consumer credit market. He said that bankers must move toward EFTS because of the competition for the consumer's dollars; in order to reduce the cost of retail banking; because of the economics of converting to EFTS; and because of the benefits realized by the government in implementing EFTS.

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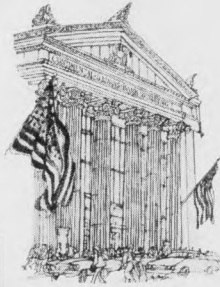
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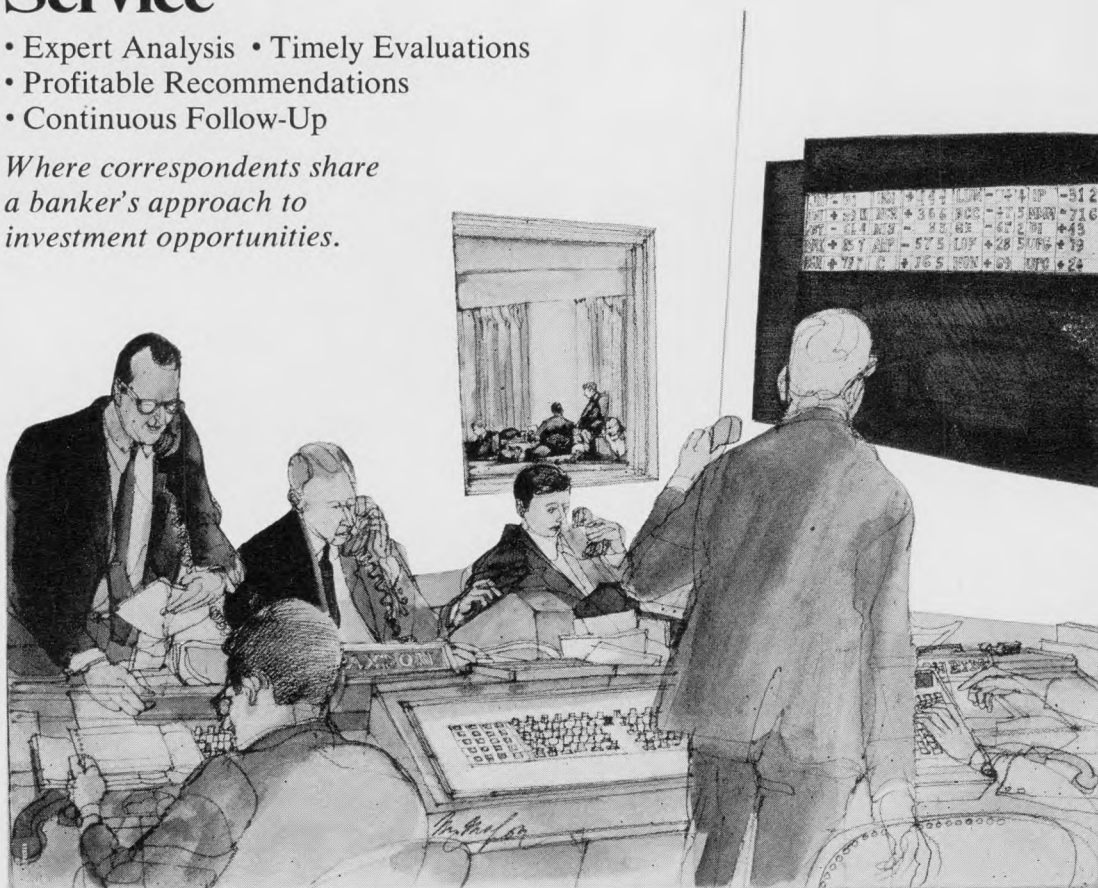


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we are thoroughly familiar with bank operations and needs. Our underwriting, we think, is of higher quality due to this expertise. So, when you join the more than 1,400 financial institutions insured by MGIC, you’re keeping good company.

“For a point-by-point comparison between MGIC and any other D & O policy, we’ll be happy to talk with you, or your attorney.

“You may feel more comfortable having your attorney contact us because he’s the expert you head for fast when threatened with a lawsuit. And he’s probably best qualified to help you make the right decisions on coverage. He’s also probably best able to show you what we mean by “total protection” and why, dollar-for-dollar, you get a better value with MGIC Directors’ and Officers’ liability insurance. So for the full story, I suggest either you *or* your attorney call me or our Marketing Director, Art Barnard, toll-free, at 800-558-9900. Or write today.”

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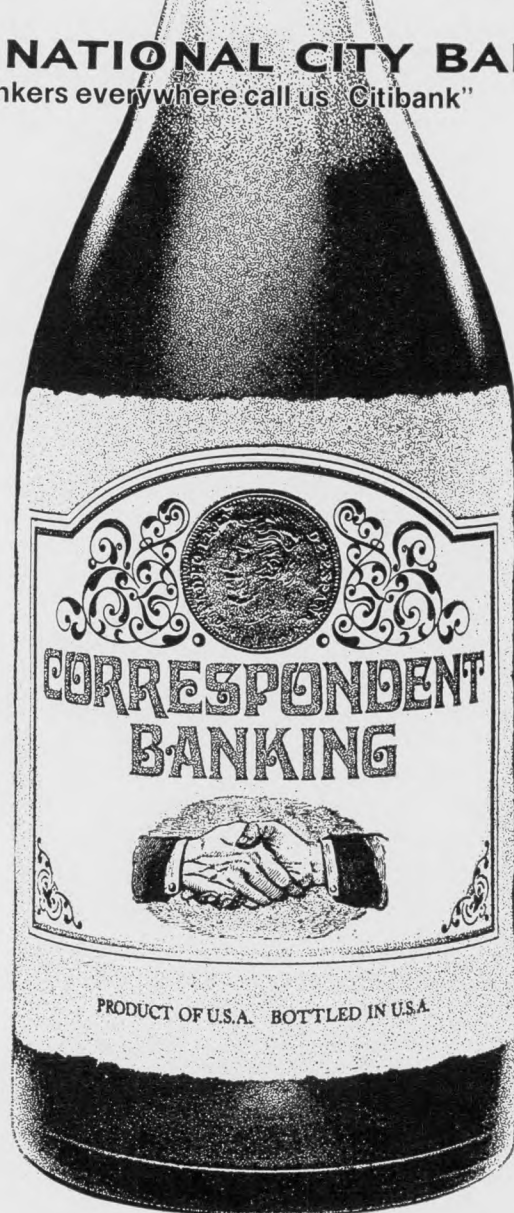
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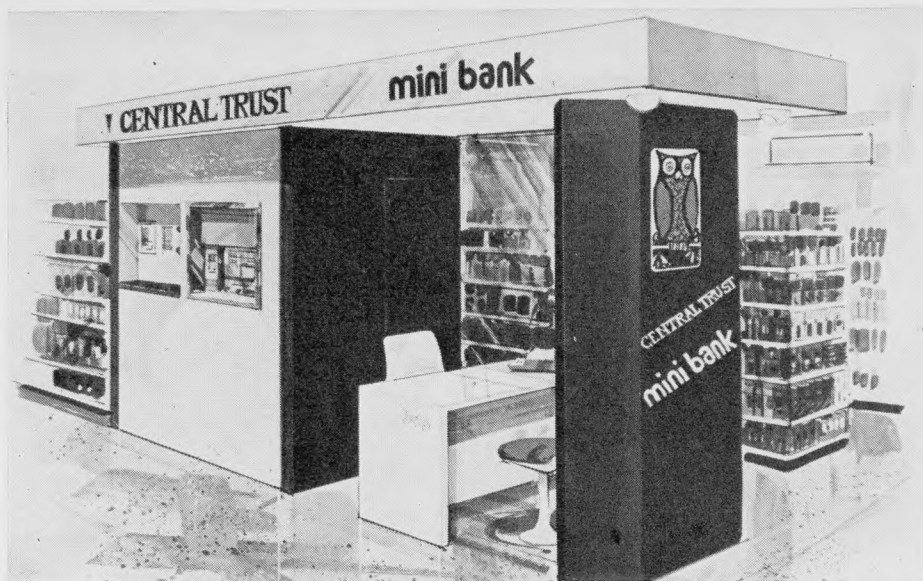
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ST. BERNARD mini-bank to be located at the end of an aisle.

"Mini-Banks" Operate in Kroger Stores

A pioneer concept known as the "mini-bank" has been introduced in the Cincinnati, Ohio, area by The Central Trust Company, N.A., The Kroger Company and Mosler Safe Company.

Certain to be controversial in some states, the mini-banks are Central Trust automated teller facilities, manufactured by Mosler, to be located inside selected Kroger stores on an experimental basis. Installation costs are said to be \$60,000 each. Annual operational costs will run about \$30,000.

Comptroller of the Currency James E. Smith issued statutory and regulatory guidelines late last year authorizing national banks to operate Point of Sale Terminals (POS) and unmanned money transfer systems. The mini-banks follow these guidelines, with the exception that customer relations personnel will instruct customers in the use of the Tellermatic equipment manufactured by Mosler.

Modular Units

Oliver W. Birkhead, president of Central, stated that each mini-bank will occupy an area about five feet by 15 feet in its respective Kroger store. Construction of the mini-banks will be in modular units by Cincinnati Fixtures, Inc.



SHOWN are (l. to r.): James P. Herring, pres., The Kroger Co.; R. William Ayres, Jr., pres., Mosler Safe Co., & Oliver W. Birkhead, pres., The Central Trust Company, studying artist's conception and plans for Central Trust's mini-banks. Mini-banks are automated banking facilities, featuring Mosler Tellermatic equipment, to be located inside Kroger stores.

The Kroger locations will reflect the bank's effort to place banking facilities where they are most accessible to customers, according to Mr. Birkhead. He anticipates popular acceptance of the new concept and is therefore evaluating potential sites in Hamilton county for additional mini-banks. According to the Comptroller's regulations, they are not construed as branch offices. Whether

or not Central will expand the service across the Ohio state line into Kentucky remains to be seen. Many of Central's customers reside in Kentucky.

Central considers the mini-bank concept an opportunity to reduce costs and at the same time offer customers additional convenience. Kroger stores are open from 8 a.m. until midnight. Correspondents of Central will be offered an opportunity to adopt the system. The equipment is not on-line. Instead, it makes use of perforated tape within each unit.

Mechanics

The customer uses a Central Trust Master Charge or Central Card and enters a personal four-digit code number. The four-digit code is as highly personalized as a signature. A series of illuminated step-by-step instructions guide the customer through his transaction.

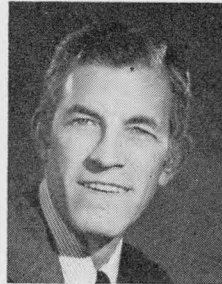
Mosler Tellermatic will dispense cash to customers from checking or savings accounts. It allows customers to make cash or check deposits, make mortgage payments, automobile instalment payments, pay utility bills and it will transfer funds from one account to another. A receipt fully documenting each transaction is issued when the customer concludes his business and his card is returned.

—End

Pension Reform Act:

Inside Track For Potential Deposit Growth

By COLLIN W. FRITZ
Banking Consultant
Des Moines, Ia.



THE Pension Reform Act of 1974, signed by President Ford in September, provides an opportunity for banks to offer new services to their customers. Many individuals are now eligible to create tax shelters to provide income in retirement years. The banking industry has been given the inside track to provide these services and should start planning a program now to meet the competition.

Two provisions in the PRA will provide the opportunities:

1. The act now permits employees not covered by private pension plans to save or invest up to 15% of their income, tax-free, for a maximum of \$1,500.00 each year, to finance their retirement. This will be known as an "Individual Retirement Account."

2. The so-called Keogh plan or HR 10 has been liberalized for full or part-time self-employed persons. It enables them to put aside a tax-free 15% of their income, up to \$7,500.00 from income of \$50,000 or more, in their own retirement plans.

Until passage of the new acts, the maximum was only 10% or \$2,500.00. Now the act permits self-employed persons earning between \$750.00 and \$5,000.00 to put aside a flat, tax-free \$750.00 and anyone earning less than \$750.00 from self-employment, to save it all. Many workers who moonlight could take advantage of the act and pay little or no income taxes on their outside income.

Yearly contributions to a Keogh Plan can be made to a trust, life insurance annuity, U.S. Treasury Retirement Bonds or to custodial accounts in banks, i.e. savings accounts or TCDs.

Individual Retirement Accounts have limited investment opportunities to the participants — either savings accounts or TCDs or U.S. Treasury Retirement Bonds. This program at least limits your competition to the savings & loans and the U. S. Treasury Bond program.

The money contributed to either a Keogh Plan or IRA Plan cannot be withdrawn before age 59½, except in

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\$ 1,000	\$ 7,296.89	\$ 14,341.81	\$ 26,709.11	\$ 44,703.43	\$ 70,885.00	\$108,978.90
1,500	10,945.34	21,512.72	40,063.67	67,055.15	106,327.50	163,468.41
2,500	18,242.23	35,854.56	66,772.78	111,758.57	177,212.50	272,447.35
3,500	25,539.12	50,196.34	93,481.89	156,462.00	248,097.50	381,426.29
4,500	32,836.01	64,538.15	120,190.99	201,165.43	318,982.50	490,405.23
5,500	40,132.90	78,879.96	146,900.10	245,868.86	389,867.50	599,384.17
6,500	47,429.79	93,221.77	173,609.21	290,572.29	460,752.50	708,363.11
7,500	54,726.68	107,563.57	200,318.32	335,275.72	531,637.50	817,342.05



Bob Ramaley, North Central Life Assistant Vice-president, is shown discussing group mortgage insurance with Harlan Nygaard, president, Knutson Insurance Agency, Minneapolis.

THINK OF BOB AS YOUR MAN ON OUR PAYROLL!

Bob Ramaley is a North Central Life Redcoat. A dedicated insurance professional in the fullest sense of the word. Although we carefully selected him and pay him, he really works for *you*.

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If you contributed \$7,500 each year, you would have*

Annual Interest Rate	After 5 Years		After 10 Years		After 20 Years		After 30 Years	
	Tax-Free Account	Taxable Account	Tax-Free Account	Taxable Account	Tax-Free Account	Taxable Account	Tax-Free Account	Taxable Account
5%	\$41,440	\$19,710	\$ 94,330	\$42,010	\$248,000	\$ 95,790	\$498,290	\$164,630
5½ %	41,860	19,810	96,570	42,500	261,510	98,240	543,270	171,350
6%	42,280	19,910	98,860	42,990	275,890	100,760	592,936	178,410
6½ %	42,700	20,010	101,210	43,490	291,190	103,360	647,810	185,810

*Assumes taxpayer is in 50% tax bracket.

If you contributed \$1,500 each year, you would have*

Annual Interest Rate	After 5 Years		After 10 Years		After 20 Years		After 30 Years	
	Tax-Free Account	Taxable Account	Tax-Free Account	Taxable Account	Tax-Free Account	Taxable Account	Tax-Free Account	Taxable Account
5%	\$8,290	\$6,060	\$18,870	\$13,350	\$49,600	\$32,640	\$ 99,660	\$60,520
5½ %	8,370	6,110	19,310	13,590	52,300	33,940	108,650	64,430
6%	8,460	6,150	19,770	13,820	55,180	35,290	118,590	68,630
6½ %	8,540	6,200	20,240	14,070	58,240	36,710	129,560	73,160

* Assumes taxpayer is in 25% tax bracket.

case of death or disability, without severe tax penalties. Withdrawals from a retirement account must begin before age 70½. Most retirees, it is assumed, will be in lower tax brackets when they withdraw their funds and finally pay taxes on them.

Under the new law, many older persons will retire with much more income than they otherwise could have hoped for. A hypothetical participant, under the old law, could have contributed \$2500.00 a year for 30 years at a return of 5% and would have received a monthly check at retirement of \$1,400.00. Under the new law the participant could contribute \$7,500.00 per year at the same rate of return and receive a monthly check of more than \$4,000.00 per month upon retirement. In most cases, this is in addition to his social security payments.

The "Iowa Bankers Insurance and Services Inc.," owned by all Iowa banks, has submitted a prototype-master plan to Internal Revenue for both Keogh plans and Individual Retirement Accounts. They will act as trustee of the plans for all Iowa banks desiring to participate.

The banks will then serve as custodians of the funds contributed by their customers. At the present time, Iowa banks are limited to one year certificates involving trust funds or the use of savings accounts. Recommendations have been made by the Iowa Bankers legislative committee to the legislature to extend the investing limits regarding trust funds.

The marketing targets under the Keogh plans will be farmers and professional people in the rural areas, along with the small businessman. The IRA plans should

prove very attractive to employees of small businesses and those primarily around age 50 who are most concerned about retirement income. Both husband and wife who are eligible under IRA rules could create their own plans, thereby substantially reducing present tax rates. Employees of small businesses desiring to enter an IRA plan may have their contributions deducted by the employer and deposited to their account in the local bank. They would then receive the lower tax bite on the weekly basis. Social Security contributions remain on the gross wage rate paid to the employee.

An unmarried employee whose taxable income is \$10,000 a year will be able to contribute \$1,500 to his retirement account, reducing his taxable income to \$8,500 and his federal income tax reduced by \$125.00. In higher brackets the tax savings is much more substantial. A \$20,000 employee can reduce his tax bill by \$540.00 if he contributes \$1,500 to his plan; in effect, the government finances more than one-third of his contribution.

The Iowa Bankers Insurance and Services Corp. will hold a series of meetings throughout Iowa explaining in detail the mechanics of serving as custodial agents of its plan. Included in the program will be marketing procedures and aids for the plan, along with an explanation of the accounting and reporting requirements necessary to meet the regulations.

The Pension Reform Act has created the opportunity for banks to provide new services to their customers with great potential deposit growth based on a sound foundation. — **End**

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Fiduciary Liability and the Pension & Reform Act of 1974

ROBERT A. CARNEY
President and Attorney
Insurance Programmers, Inc.
Chicago, Ill.

YOU may have seen a number of advertisements by insurance companies and their agents concerning a new liability coverage to protect the fiduciaries of pension and welfare plans from personal liability. The scope of the new Pension and Reform Act of 1974 has made it necessary for fiduciaries under the act to consider the need for insurance protecting their personal assets. The new act provides a special problem for those financial institutions which act as fiduciaries for pension and welfare plans of others. It is a much larger problem for a financial institution than it is for other companies who are only concerned with their own pension and welfare plans and not the plans of others.

We need to clarify some of the definitions in the new law and put the law in perspective with current insurance coverages being offered by various insurance companies.

What plans are covered by the new Pension & Reform Act of 1974? The act defines employee welfare benefit plan as any program established by an employer for

After reviewing the answers to these questions you can see that the act is intended to be inclusive and by rough count include over a million employee welfare benefit plans, which will include well over one million fiduciaries who have become fiduciaries by name or by their own activity.

What duties does a fiduciary have to the participants, beneficiaries and the plan? References are made that the fiduciaries duties are to act in accordance with the prudent man rule. Basically the rule of a prudent man is to act with diligence, care, skill and prudence as any prudent man would act in like capacity under conditions prevailing at the time.

It would appear over the last decade that the prudent man rule has been expanded by the courts to a prudent expert rule. It is no longer possible for a fiduciary to invest in the safest of securities and claim that he was acting as a prudent man. Such an investment can be construed as an ordinary investment that anyone could make and

**"It is no longer possible for a fiduciary to invest
in the safest of securities and claim that he
was acting as a prudent man."**

the purpose of its employees or their beneficiaries, including medical, surgical hospital care for sickness, accident or disability, death, unemployment or vacation benefits. It also includes training programs, scholarship funds or any funds that provide retirement income to employees or results in deferred income to employees. The definition would include both insured and uninsured programs.

Who is a Fiduciary?

Who is a fiduciary under the new law? You will see by reading the act that a fiduciary can not only be the person or corporate trustee named as a fiduciary in the plan but one can be a fiduciary by mere conduct relative to some aspect of the plan. The exercise of authority or control in management or disposition of plan assets or giving investment advice for compensation or exercising responsibility for the administration of a plan will automatically classify a person or company as a fiduciary.

that the fiduciary who is receiving compensation must exercise his knowledge and experience to invest or manage as a prudent expert.

The Pension and Reform Act of 1974 specifically indicates that a fiduciary must:

(A) Discharge duties solely in the interest of the beneficiaries and participants of the plan.

(B) Adhere to the documents and instruments governing the plan.

(C) Diversify investments to minimize loss.

Prohibited Transactions

In addition to the duties so specified there are transactions that are prohibited by a party-in-interest. A party-in-interest is broadly defined to include employers of plan participants, persons rendering services to the plan, the officers, agents, fiduciaries and employees of a plan and relatives, agents and joint venturers.

The transactions that are prohibited include:

(A) A sale, exchange or lease of property between the plan and a party-in-interest.

(B) The furnishing of goods, services or facilities between the plan and a party-in-interest.

(C) A loan or extension of credit between the plan and a party-in-interest.

(D) A transfer of assets of the plan to a party-in-interest or a transfer for the use or benefit of a party-in-interest.

A fiduciary is prohibited from:

(A) Dealing with the assets of the plan for his own account.

“Civil liability imposed upon a fiduciary is inclusive of his personal assets . . . but the plan can purchase insurance to cover the potential fiduciary liability.”

(B) Receiving any compensation for his own account from any party dealing with the plan in connection with a transaction involving plan assets.

(C) Acting in any transaction involving a plan on behalf of a party whose interests are adverse to the interests of the plan, its participants or beneficiaries.

The civil liability imposed upon a fiduciary is inclusive of his personal assets and where he has breached his fiduciary duties, a suit can be brought by the Secretary of Labor, a participant, beneficiary or another fiduciary of the plan. The plan cannot contain a Hold Harmless Agreement to protect the fiduciary but the plan can purchase insurance to cover the potential fiduciary liability. The purchase of the insurance by the plan can only be made if there is recourse against the fiduciary for any loss. Therefore, the employer or the fiduciary will have to purchase his own insurance protection.

What is available under your present insurance to protect against potential fiduciary liability and what other insurance should be carried to protect the fiduciary from his civil liability?

Endorsement

A number of insurance carriers who provide the Comprehensive General Liability coverage for the bank also provide an endorsement referred to as Employee Benefit Plan Liability insurance. This endorsement provides errors and omissions coverage in the administration of employee benefit programs but does not cover wrongful acts of the fiduciaries such as mismanagement of the plan assets. This endorsement is very limited in respect to the potential liability of a fiduciary.

Another alternative that many have suggested will offer protection is the Directors & Officers Liability Insurance carried by the bank to protect its officers and directors from personal liability. There is considerable doubt that this coverage will protect the fiduciaries on the bank's own pension and welfare plans because they are generally not named as an insured in the policy and any interpretation of the policy wording would lead you to believe that only wrongful acts are covered involving their capacity as a director or officer of the corporation.

There is another question involving whether the trust

officer is personally protected under the Directors & Officers Liability Policy for judgments and legal fees for violations of the Pension and Welfare Reform Act of 1974. Most Directors & Officers Liability Policies cover the trust officer acting in any capacity within the trust department and therefore would not exclude activities involving the Pension and Reform Act of 1974.

Trust Dept. Insurance

Further coverage can be provided to the trust department of your bank by purchasing a Bank Trust Department Errors and Omissions Policy. This specific coverage applies to the corporation and in several forms can be extended to cover the trust officers, employees, and directors acting within the scope of the trust department. Most suits involving trust departments of banks are brought primarily against the trust department rather than any specific individuals. This policy would protect both the trust department and the individuals involved from any actions brought by a plaintiff whether under the Pension Reform act or otherwise.

If the bank's own pension and welfare plans are entrusted to the trust department of the bank, then there is no need for a separate Fiduciary Liability Policy. The bank trust department Errors and Omissions Policy would pick up the fiduciary liability imposed by the Pension and Welfare Act of 1974.

In the event that the bank does not have a trust department acting as a fiduciary for its own plans, then there is a need for a Fiduciary Liability Policy protecting all the designated and non-designated fiduciaries connected with each plan. The policy should be broad enough

“It would be wise to have someone who has been professionally involved with the exposures . . . advise you on policy forms that should be under consideration in your bank.”


to cover all liabilities of the fiduciary whether under the Pension and Reform Act of 1974 or other involving state, federal or common law.

The Fiduciary Liability Policy or any policy by a similar name has been formulated because of the Pension and Reform Act of 1974 and thus may not be stabilized. Many of the insurance companies have changed their forms a number of times in the last few months. The forms are, therefore, not uniform. The same can be said for the Directors and Officers Liability Policy and the bank trust department Errors and Omissions Policy, but for reasons other than the coverage is new.

It would be wise to have someone who has been professionally involved with the exposures in all these areas review your exposures and advise you on the policy forms that should be under consideration in your bank. This article cannot be inclusive of all the exposures that are now revealed under the new law. The scope and potential liability is sizeable and under the protection and enforcement of the Secretary of Labor. We do expect numerous litigation and some sizeable judgements. Protect yourself accordingly and with proper advice.—**End**

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Peter F. Bezanson, President
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Cedar Rapids, Iowa 52401
AC 319-363-0261



Will Regulators Remove Profit, Destroy Credit Life



By CHARLES M. SPINNING
Assistant Vice President
The Credit Life Insurance Company
Springfield, Ohio

■ *The Credit Life was founded in 1925 and issued the first group credit life insurance policy in the United States. The author states, "During the first 50 years of operation we have devoted all our time and talents to the specialized field of credit insurance and have witnessed the birth and growth of regulation and its effect upon marketing."*

TRUE regulation of credit insurance began with the Model Bill which was adopted in 1959 by the National Association of Insurance Commissioners, hereafter referred to as NAIC. This regulation corrected inadequacies of forms, methods of filing and supplying information to debtors. It established the right of the Commissioners of Insurance of the various states to approve forms whose rates "would be reasonable in relation to benefits provided." This approach proved to be inadequate in that no standard had been established by the Model Bill for reasonableness of rates.

As a result of this flaw, the next major step in regulation was the adoption of the Richmond Resolution by the NAIC in 1966. This resolution, which was offered to the NAIC by Credit Insurers, defined reasonableness as any premium which would produce, or is expected to produce, at least a 50% loss ratio, i.e., half of the premium would be expected to be returned to debtors in the form of claim payments.

Since 1966, several states have adopted the 50% bench mark as the sole criterion for rate making. A few states have added the need to consider

compensation for the producers and insurance companies, thus attempting to establish the minimum and maximum compensation for both creditors and insurance companies.

In 1969, California adopted a regulation which acknowledged variable loss ratios produced by various types of creditors and this regulation established banding of rates. Five basic groups were established by California regulation with rates ranging from 50 cents per 100 per year for auto dealers to 65 cents per 100 per year for second mortgage business. California, also, set out methods for deviating each rate based upon the actual experience for each case. A case, as defined under the California regulation, may be one creditor or many creditors who produce a certain amount of earned premium in a given time frame.

At the December, 1974, meeting of the NAIC the new morbidity study revealed that the current accident and health rates are inadequate and should be increased if the coverages are to be continued. The Long Term Subcommittee recommended new life rate structures for terms in excess of five years and they suggested a rate by age and class of business, as well as establishing the premium calculation on the

net unpaid balance of the loans. This method would exclude unearned interest charge payments by the insurance companies.

What then does this mean to the banking industry? As you can see, the thrust of regulation has been to reduce rates, reduce profits, and increase benefits. All of these by themselves are positive steps; however, regulators must be made aware of the fact that the creditors are of primary importance in the marketing of credit insurance, and are entitled to a fair return for their investment of time and resources needed to effect marketing these valuable products.

We look upon the financial institutions of the country as vital to the marketing of our product. We feel the compensation must be sufficient to guarantee our continued success in offering this valuable product to the consuming public. In recent years, we have been concerned by the attempts of regulators to remove the profit incentive from the marketing of credit insurance. Recent recommendations suggest that creditors should be placed in a fiduciary capacity in the marketing role, removing compensation for their efforts. We feel that if our products are to be marketed successfully, the creditors must be adequately compensated.

The credit industry has been criticized in recent years because of high penetration figures. These same critics suggest that our products are forced upon consumers who are in an inferior bargaining position. We feel that our product is valuable and desirable for consumers and that, since July, 1969, its cost has been totally disclosed to all potential purchasers and the coverage has been requested by them.

It is strange that Regulation Z, "Truth in Lending," tends to be ignored by critics. When these same consumers were questioned by Ohio University in a nation-wide poll of consumers, in excess of 90% indicated that they would recommend coverage to a friend and also that they would want the coverage on future loans. In fact, to quote the Ohio University study, "It is the strong demand for credit insurance and not the inferior bargaining position of borrowers in consumer credit transactions that explains the high penetration ratio credit life insurance and the growing penetration of accident and health insurance."

Regulators should take great care to assure the continued marketing of this valuable product through financial institutions, as it is available through no other media. By severely limiting compensation to creditors, credit insurance could pass from existence.

Let's look at the average credit life insurance policy. The policy is issued to a man age 39, for \$1,300.00, for a term of 30 months, total premium, assuming a 75 cent per 100 per year rate, of \$24.31. Total compensation available to a creditor would range from \$9.00 to \$11.00. To complete this transaction, the bank must disclose the cost of the insurance to comply with Regulation Z, "Truth in Lending." Then, if the coverage is desired, the creditor must issue and deliver a certificate of insurance, within 30 days, to the debtor in compliance with the state regulations and report the certificate to the insurance company.

Eventually, the creditor may be required to compute and pay a refund in the event of prepayment, renewal or refinancing and report that refund to the insurance company. If there is a claim, the bank must see to the completion of the claim forms and forward them to the insurance company. In addition, upon receipt of payment from the insurance company, they must close out the note and contact the estate to return any excess benefits.

FACTS — Not Fiction, Fantasy or Conjecture

By LEWIS H. GREGG
Executive Vice President
Minonk State Bank
Minonk, Ill.

WHAT happens when the largest Federal Savings and Loan Association in Central Illinois opens its first branch office in Illinois in your town of 2,500, in which yours is the only bank?

We approached the problem, if you want to call it that, with the typical small town philosophy of competitive business—"Live and let live." Already paying the highest legal rates on time deposits, we knew emphasizing them wasn't going to interest the prospective investors at our desks. To keep the money from going to our new competitor we pushed the purchase of U.S. Government and Agency Securities through our bank. The short term rates were better than the permissive rates of the savings and loan and we charged a comfortable fee in completing the purchase. We didn't get a deposit, our competitors didn't get a deposit, but we got a fee.

Loanwise, our new competitors presented no problem. Since opening their office on October 29, 1973, they have made two real estate loans in our community. During that same time we have made 60 residential real estate loans and helped eight farmers purchase 528 acres of land with farm real estate loans.

Armed with these loan facts, we were able to convince our local school board to give our bank its time deposits, even though the Federal Savings and Loan was making a concerted effort to get this time money by offering higher rates and bringing in their home office expert to talk to the board.

Statistically, at the end of January, 1975, since October 29, 1973, the opening date of the Federal Savings and Loan office in our town, our demand deposits have increased 3.47%; our savings accounts have increased 1.56%; our certificates of deposit have increased 14.02%; our loans have increased 27.4% and our loan to deposit ratio has increased from 45.67% to 54.07%.

In summary, when people, mostly bankers, ask us how the branch office of the savings and loan has affected us, our stock answer is: "Let's say they have not helped us, but at the same time they have not hurt us." The deposits they are getting are those we wouldn't get anyway. A large amount of them are brought in from out of town. Our local owners report they see a lot of unfamiliar faces shopping in their stores. All of the money the local office receives passes through their checking account at our bank. It doesn't stay very long as it is transferred to its depository in the city where the main office is. However, we do enjoy the float.

In conclusion, maybe we independent bankers should stop fighting the S&L branching and concentrate on EFTS where we must get in on the ground floor if we are to compete and survive.—End



"Statistically, our demand deposits have increased 3.47%, savings accounts 1.56%, CD's 14.02%, and loans 27.4%."

In summation, we would suggest that we are not opposed to regulation if needed. However, when it endangers our marketing, it could remove a valuable product from the market place.

Therefore, regulators should be sensitive to profit needed for both the insurance company and the financial institutions involved in the transaction.—End

Points for Banks To Remember to Comply with OSHA



By L. W. DUNCAN
Vice President
Employers Mutual Companies
Des Moines, Ia.

□ THE AUTHOR is vice president for Risk Improvement and Payroll Auditing for Employers Mutual, long a leader in industrial safety. Representatives of his department, working with the policyholder and the agent, have aided many businesses in understanding and complying with the complex OSHA federal law, at no cost to the policyholder. Bill Duncan holds a B.S. degree in Civil Engineering and is a Certified Safety Professional. He has been a student of industrial safety since 1955.

OSHA has now come of age. In the ensuing years since its inception in 1970, many of the fears that were present with the launching of the Occupational Safety and Health Act have since faded away, and slipped from the everyday consciousness of the busy executive.

But...OSHA is still very much alive and well, and quite a far cry from the dormant figure many of us may be thinking of. In fact, OSHA is now administered for the Federal Government in many localities by state authorities, which means that there are many more compliance officers available than originally, and many of these state jurisdictions have instituted additional safety specifications over and above the many Federal standards.

What, then, are the ramifications for the banking industry of the Occupational Safety and Health situation as it now stands? Simply this: your workplace is now even more likely to be the scene of a compliance officer's visit, and may now be subject to a more rigid set of safety and health standards than you originally bargained for!

Safety Items for OSHA

Let us examine briefly some of the safety items which might come under the scrutiny of an OSHA inspector:

1. Octopus wiring in and around your clerical areas, with its attendant tripping and electrocution hazards.
2. Sturdy step ladders and step stools in your filing areas.
3. Adequately marked emergency exits.
4. Safe stairways including non-slip steps and sturdy handrails.
5. An adequate supply of fire



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Richard D. Beatty, Sr.
Manager

Modernization Credit Insurance Division

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Dick is a loan insurance professional in the true sense of the word. His background of 18 years in the field includes:

Nine years as a new business representative and branch manager with nationally-known finance companies.

Six years as installment loan manager and officer for west coast national banks.

Three years as vice president of a nationwide Property Improvement Insurance Program.

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- Fidelity Bankers Life Insurance Company, Richmond, Virginia (Credit Insurance Division)

extinguishers which are freshly charged and mounted in accessible locations plainly marked.

6. If your branch locations have landscaping which is tended by your own grounds keepers, then manicuring equipment must meet several safety criteria, and lawn-mower gasoline must be stored in U.L. listed "safety cans"—not the simple, square tin types we're all accustomed to at home.
7. If your organization has its own maintenance staff, the electrically powered tools and appliances used by these employees must be provided with electrocution protection.
8. If scaffolding is used in the course of remodeling or maintenance, it must be of sound construction and erected in accordance with published standards.
9. You should have at least two persons on your staff who are First Aid-trained and who have up-to-date training cards as proof. A well-stocked First Aid kit is also an asset even though a doctor's office may be nearby.

The "General Duty Clause" of OSHA states simply that the employer must provide a "...safe and healthful place" for his employees to work. Under the provisions of this clause, many employers have received citations and fines for safety hazards which are not specifically alluded to in the published standards. These might be such items as a worn and wobbly chair still in use by an employee, or unsecured file cabinets that may topple over on an employee who forgets and pulls out two heavily-loaded drawers at the same time.

Of course, these few paragraphs are by no means meant to represent the final word in the state of the art as respects OSHA, but they are intended to again remind the banking executive that OSHA is still with us, and of his responsibility under the Occupational Safety and Health Act to provide a safe environment for his employees to work; and to remind us all that our initial safety efforts were possibly not that all-encompassing to begin with, and that we certainly can't afford to rest on our laurels at this point!

Training is an important ingredient in accident prevention. A well-informed and alert supervisory force is one of your best tools for maintaining a..."safe and healthful"...place for employees. **-End**

Hartog, Des Moines, and Perry Rutledge, Adel.

Officers re-named were: Max D. Rutledge, president; F. W. Benson, Donald D. Bockelman, David A. Rutledge, Perry Rutledge, and J. E. Streepy, vice presidents; Albert Rutledge, vice president and secretary; Dale Den Hartog, treasurer; Ray S. Olson, assistant secretary; and Albert Carter, assistant treasurer.

Max Rutledge reported that the company set an all-time record of over \$926.3 million of crop hail insurance in force during 1974 to lead the insurance industry nationally in this type of coverage. The \$232.4 million growth represented a 33% increase over 1973. Mr. Rutledge reported also that surplus to policyholders increased to an all-time record of \$24.3 million. The company reported over 20,000 claims paid to policyholders during the year.

The company writes crop hail insurance in nine midwestern states, and also writes turkey insurance, and provides reinsurance coverage nationally.

Heads Credit Card Group

William Bates, Jr., vice chairman of the Philadelphia National Bank, has been elected chairman of National Bank Americard Incorporated (NBI), the membership corporation which administers the U.S. BankAmericard program.

Mr. Bates succeeds Guy W. Botts, chairman and chief executive officer of Barnett Banks of Florida, Inc., Jacksonville.

Farmers Mutual Hail Writes \$926.3 Million in Premiums

Officers and three directors of Farmers Mutual Hail Insurance Company were re-elected recently at the

company's 82nd annual meeting at the firm's office, 2323 Grand Avenue, Des Moines.

Directors re-elected were: F. W. Benson, Sheldon, Ia., Dale Den

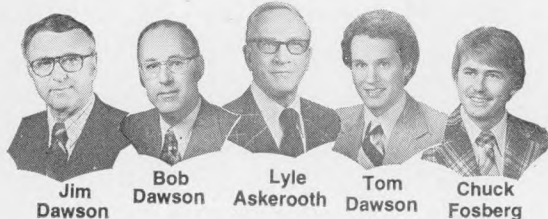


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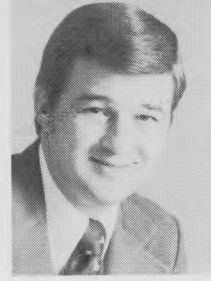
Ben Adams
Missouri



Jack House
Iowa



Duncan Kincheloe
Texas-Oklahoma



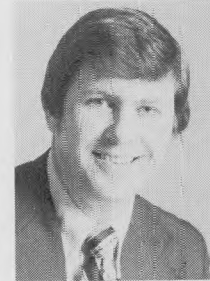
Paul Libbert
Missouri



Verne Schweder
Kansas City Metropolitan



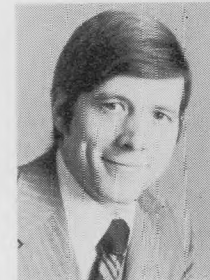
Jack Beets
Kansas



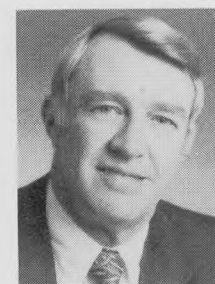
Phil Straight
Nebraska-Colorado



E. L. Burch
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Tom Wood
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Don Thomason
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Lease Insurance Influences IDR Bond Investors, Guarantees Corporate Rent

Written Especially for
The Northwestern Banker
By JAMES C. FLETCHER
Vice President
Commercial Loan Insurance Corp.
Milwaukee, Wis.



MARKET conditions at the time of the offering often influence investor attitudes toward industrial revenue bonds. The yield must be structured to give the investor a good return, yet not so high that there appears to be excessive risk in the issue.

The high risk generally associated with IDR bonds makes some issues difficult to sell without some measure of added security. A major

portion of the risk stems from the fact that most IDR issues are basically real estate financing packages, involving a lease between a municipal landlord and a corporate tenant. As such, an IDR issue should provide additional security to the investor other than the credit of the corporate tenant.

In most instances, the ability of the (lender) investors to foreclose may be sufficient. However, most

bond buyers desire to be passive investors and the additional security provided by a lease guarantee policy can be the extra protection demanded by them.

Lease insurance guarantees the corporate tenant's rent to the municipal landlord. The rental income can be insured for a lease term from five to 20 years. The amortization period of the bond issue is structured to coincide with the lease term.

The lease guarantee policy is assigned to a trustee, usually a commercial bank acting as paying agent and servicer for the bondholders. Any claim payments will be paid directly to the trustee and will cover the principal and interest payments due the bondholders, and in some cases include hazard insurance and real estate taxes.

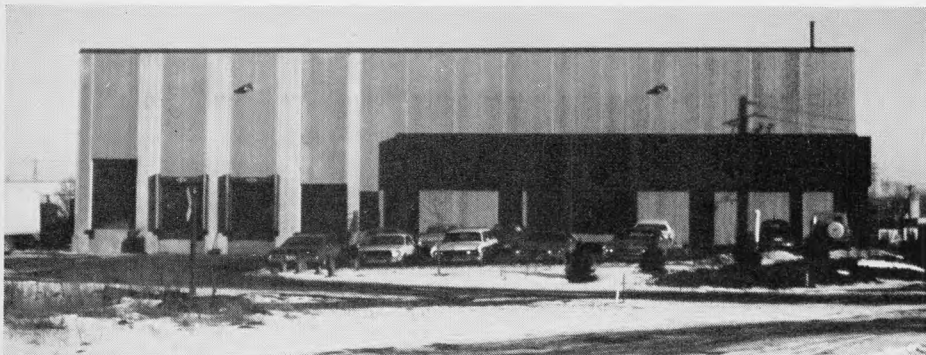
Market conditions were deteriorating in August, 1974, when CLIC insured a \$595,000 IDR bond issue sponsored by the City of Minneapolis. CLIC insured a 20 year lease between the city and Wilcox Paper Co., of Minneapolis. Wilcox is a 52 year-old wholesale paper distributor for a five-state upper midwest region.

The guaranteed aggregate rent is \$1,469,875, which is equal to the principal and interest due the bondholders over the life of the issue and the real estate taxes. Premium costs for the lease insurance were \$47,000. That included the cost of extended coverage, which will provide payment of expenses involved in removing the tenant, and refurbishing and rerenting the facility in the event of a default.

Use of Proceeds

The bond proceeds were used to purchase a 200,000 square foot tract of reclaimed land in an industrial development district operated by the Minneapolis Port Authority, and construct a 30,000 square foot office and warehouse building. The building is a steel frame, one-story structure built on reinforced concrete footings and slab. The walls are made of precast concrete over a structural steel frame. The building has a flat roof of structural steel construction, with steel decking, insulation and tar and gravel roofing scuppers, and downspouts.

Moore, Juran and Company, Inc., Minneapolis, purchased the bonds



THIS 30,000 square-foot warehouse and office building is the new distribution center for Wilcox Paper Company, whose market includes a five-state upper midwest region. The building was financed by a \$595,000 industrial revenue bond issue, sponsored by the City of Minneapolis, and the lease payments have been insured by Commercial Loan Insurance Corporation, Milwaukee.

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A FEDERALLY LICENSED CONTRACT MARKET

□THE AUTHOR has been vice president and director of sales for CLIC and MGIC Indemnity Corporation's lease insurance program since February, 1974. CLIC is the nation's largest provider of commercial mortgage and lease insurance. Both firms are wholly-owned subsidiaries of MGIC Investment Corporation. Mr. Fletcher joined MGIC Indemnity in 1968 as regional director-development for its lease program in New York and New Jersey. He transferred to the home office in Milwaukee in 1970, was named assistant vice president in 1971 and later became vice president.

Lease Insurance. . .

and sold them on commitment to a group of investors which included commercial banks, insurance companies and individuals. The First National Bank of Minneapolis was named trustee and paying agent for the issue, which sold at an average interest of 7.50 percent.

Almost Entire Cost Financed

Normally, corporate tenants benefit the most from the reduced borrowing costs associated with IDR financing. In this case, however, the ability to finance almost the entire cost of the project was more important to the corporate tenant, according to Thomas Mast, Wilcox president.

Moore, Juran and CLIC were able to structure an issue of \$595,000 based on a real estate appraisal indicating fair market rental value of about \$1.25 per square foot per annum. This was \$20,000 more than the original financing package and permitted Wilcox to finance 100% of construction cost, with sufficient funds left over to build a rail spur and purchase additional land for expansion. Wilcox then was able to use cash for purchasing material handling equipment, eliminating the need to increase its debt burden beyond the amount of the bond issue.

Lease insurance enhanced the marketability for the Wilcox offering at a time when interest rates on general obligation bonds were rising rapidly, recalled Thomas Moore, manager of the CLIC-insured issue. The spread between general obligations and the traditionally higher-yielding IDRs became so small that it was difficult to attract investors.

Yield Became Competitive

The security provided by lease insurance made the yield on the Wilcox offering competitive with other quality issues, said Mr. Moore. The Wilcox issue still offered a little more yield to the investors than the

return on general obligation bonds. At the same time the interest rate was not too high to make it unmanageable for the corporate tenant.

The Wilcox offering was an ideal use of the IDR finance vehicle because the project will increase employment and generate at least \$300,000 in taxes for the city of Minneapolis over the next 20 years. The size of the issue was well within the \$5 million limitation set by Congress in 1969 to qualify the IDR bond instrument for tax-exempt status. That provision limits the amount of capital investment to \$5 million for a three-year period before and after construction.

The eligibility requirements for lease insurance limit the aggregate amount of insured rent to \$5 million. Normally, this will limit the face amount of the bond issue to about \$2.5 million. In some cases, hazard insurance premiums and real estate taxes can be insured.

Insurance Offers New Dimension

As pointed out earlier in the Wilcox case, IDR financing permits funding of 100% of construction costs. These costs can include the normal fees as well as insurance premiums. CLIC limits its insurance coverage to 100% of construction costs or fair market economic rent, whichever is less. IDR financing also permits funding for equipment; however, the proceeds used for the purchase of equipment cannot be guaranteed by lease insurance.

The amount of borrowing through IDR bonds suggests that the concept of collateralizing this instrument with lease insurance has added a new dimension to industrial development throughout the country. To date, CLIC has insured 54 issues and has issued commitments to insure about 30 more projects now under construction. No losses have incurred on CLIC-insured bond issues.—End

American Express Adopts New Corporate Identity

American Express Company has unveiled a new corporate-wide identity program, a communications system designed to bring the company and its services under a highly identifiable banner. The focal point of the program is a bold new logotype designed to create a strong public awareness on an international basis.



The new identification system was developed for American Express by Lippincott & Margulies, Inc. and its European affiliate, Lippincott & Margulies, Ltd., international consultants specializing in corporate communications, marketing and design.

The program is more complicated than most because of the need to address itself to a variety of languages and cultures reflecting American Express' worldwide activity, and also different regulations on a country to country basis, according to Walter P. Margulies, president of the U. S. consultant firm.

In addition to the new logotype, a new system of advertising identification was developed tying together American Express and many of its divisions including Travel Service, Card and Travelers Cheque, each having its own specific audiences and needs requiring specific marketing solutions. In practice, these systems correlate with the new corporate logo to more effectively project American Express Company's association with its divisions.



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Crop Hail Industry's 1974 Premiums Top \$258 Million

A CROP HAIL insurance summary for 1974 shows that Iowa led the nation in written premiums with volume of \$46,922,546, while a total of seven of the top 10 states in premium volume are located in NORTHWESTERN BANKER area.

The intensity of hail damage during 1974 also was evident from the extremely high loss ratios recorded. The loss ratios in most states exceeded those for 1973. In Iowa, for example, 1974 losses were \$42,772,343 for a loss ratio of 91.15%. This compared to a 1973 loss ratio of 49.08% on written premiums of \$37,518,393.

Statistics for the crop hail insurance industry for stock and mutual companies are based on reports made to Crop Insurance Research Bureau, Evanston; Crop Hail Insurance Actuarial Association, Chicago; American Agricultural Insurance Company, Park Ridge, Ill., and Hail Insurance Services, Ormond Beach, Fla. The industry premium total for 1974 was \$258,488,873.

The following chart shows figures for the top 10 states by 1974 premium volume, as well as all states in NORTHWESTERN BANKER area (states in bold type) and adjoining midwestern states, indicating their 1974 national rank:

State	Rank By Premium Income	1974 Premiums	1974 Losses	1974 Loss Ratio	1973 Premiums	1973 Loss Ratio
Iowa	1	\$46,922,546	\$42,772,343	91.15	\$37,518,393	49.08
Illinois	2	31,218,662	29,424,824	94.25	23,751,469	91.59
Minnesota	3	20,746,982	10,343,961	49.86	15,593,021	53.17
Kansas	4	19,707,185	12,570,397	63.78	13,100,817	23.74
North Dakota	5	17,773,930	12,016,188	67.61	11,626,198	54.14
Nebraska	6	16,899,741	7,701,654	45.60	12,968,008	35.12
Texas	7	15,304,953	11,088,610	72.45	10,762,387	52.81
North Carolina	8	10,117,748	8,310,034	82.13	9,622,495	49.95
South Dakota	9	8,175,163	3,853,560	47.14	5,382,300	44.69
Montana	10	7,141,489	7,780,124	108.90	3,950,013	70.06
Missouri	11	6,923,693	2,670,346	38.57	4,600,026	52.59
Idaho	15	4,350,927	581,631	13.37	3,009,565	39.89
Wisconsin	17	3,799,204	3,002,136	70.02	2,504,764	49.05
Washington	20	2,707,885	591,096	21.83	2,048,561	23.15
Colorado	21	2,614,144	1,149,812	43.98	2,406,374	53.09
Oregon	28	921,422	53,154	5.77	675,380	11.86
Wyoming	31	585,179	98,693	16.87	319,426	84.41
Utah	39	48,692	18,841	38.69	28,160	159.47
Nevada	42	20,800	—	—	1,149	—

Directors' and Officers' Liability Insurance

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

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

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Robert Carney

Leonard Putzy

A new and perhaps a more formidable foe, known as EFTS, was faced by over 2,900 members of the Independent Bankers Association of America as they held their 45th annual convention in Las Vegas last month. Branching and multi-bank holding company activity held the spotlight at previous conventions.

Embree K. Easterly, president of Capital Bank & Trust Company, Baton Rouge, La., IBAA president, told the delegates that the association has participated in a Congressional hearing on a moratorium bill that would suspend EFTS activity until the National Commission on Electronic Funds Transfers has submitted its recommendations.

"When Congress created the commission," said Mr. Easterly, "the intent was that there be no action by federal agencies in this field until the commission had completed its report. However, Congress left the door open a crack by permitting EFTS activity upon a limited and experimental basis."

The Louisiana banker asserted that the Comptroller of the Currency "then swung the door wide open in December by issuing an interpretive ruling allowing the installation of Customer-Bank Communication Terminals (CBCTs) by national banks without regard for state branching laws and without geographic restrictions."

New Officers

Kenneth J. Benda, president, Hartwick State Bank, Hartwick, Ia., was advanced to the presidency, succeeding Mr. Easterly. Charles O. Maddox, Jr., chairman and president, Peoples Bank, Winder, Ga., takes over the position of first vice president from Mr. Benda. The new second vice president is Edward A. Trautz, president, East Lansing State Bank, East Lansing, Mich. Elected treasurer for a two-year term was William P. Givens, president, Merchants National Bank, Muncie, Ind.

Following service in World War II as a Naval officer, Mr. Benda began his banking career in 1945 at the Hartwick State Bank where he has served as owner and officer. He has been chief executive officer of his bank since 1954.

The association adopted a variety



CALL to order by Pres. Embree K. Easterly.

Independent Bankers Elect Kenneth Benda; Show Concern Over EFTS

By MALCOLM FREELAND
Publisher



John Benesch, American Nat'l, Riverton, Wyo., and **Alvin Olson**, Dubois Nat'l, Dubois, Wyo.



CHARLIE Starks, Citizens State Bank, Keensburg, Colo.



C. STUART Moore and **Murray Moore**, Stockmen's Bank, Cascade, Mont.

of resolutions, ranging from a call for establishment of a national food policy to rejection of a proposal for allocation of credit.

But it was EFTS that gave the convention its theme. Delegates showed special interest in the EFTS seminar conducted by four panelists. The emergence of electronic banking in Nebraska was discussed by H. L. Gerhart, president, First National Bank, Newman Grove, Nebr. He talked about the electronic terminals installed in Hinky Dinky grocery stores by a federal savings and loan and about the lawsuits by Nebraska's attorney general and others charging that such installations violate both state and federal law.

EFTS Problems

Another panelist, Robert E. Knight, research officer and economist at the Federal Reserve Bank of Kansas City, Mo., said that in designing an electronic banking system it is important to preserve the individual's freedom in how to make or receive payments.

After discussing the background and development of electronic banking, Mr. Knight pointed out that many fundamental problems remain to be solved, among them the legality of using a savings account like a checking account at a point-of-sale electronic terminal; sharp consumer dissatisfaction with reduced personal control over finances; the cost of justification of a broad electronic system; security problems and the potential for computer fraud; and the great potential for infringement upon our basic freedoms as transactions flow

through computers owned by the government or private financial institutions.

"We community bankers must find ways to adapt electronic banking so as to best serve the public," said Edward A. Trautz, president of East Lansing State Bank in Michigan, who explained the federal government's Direct-Deposit Program for social security beneficiaries, a program which will be implemented nationwide later this year.

Mr. Trautz pointed out that in order to participate in an electronic payments system, bankers must become members of an automated clearinghouse. The main beneficiaries of an automated clearinghouse will be larger banks, conceded Mr. Trautz, because costs are reduced as volume of electronic items cleared increases. Nevertheless, he said, small banks must have access to the electronic system.

OUTLOOK was described by **Dr. Walter Heller** (left) shown with **Pres. Easterly**.



The correspondent bank's role in helping smaller banks hook into an EFT system was discussed by William J. Davis, vice president and manager of the correspondent bank division at American National Bank and Trust Company of Chicago.

Mr. Davis said that correspondent banks could help by providing a means of access into an EFT system through the larger bank's computers. He added that a correspondent bank could also act as a technical consultant to smaller banks, providing educational assistance and staff training.

A major resolution adopted by IBAA strongly endorses a moratorium bill (S. 245 and H.R. 1619) in Congress which would stop use of EFTS for deposit and non-preauthorized loan activities by federally-insured institutions of all types during the period of the EFTS Commission Study, which extends to October, 1976. (The American

FORUM for buyers and sellers was described by **Robert D. Dixon**, pres., Rolfe State Bank, Rolfe, Ia.





FIRST Banks of St. Joseph, Mo., reception attended by Mr. & Mrs. **Carl Riggs**, pres., Tingley State Sav. Bk., Tingley, Ia.; **L. L. Arendt**, pres., Gibson Sav. Bk., Gibson, Ia.; **Paul Light**, v.p., Gibson Sav. Bk.; **Roger Haggerty**, pres., host bank; **Janet Arendt**, and **Betty Light**.



DROVERS Nat'l Bank, Chicago, breakfast finds **Bernard Miller**, v.p., host bank; **Neil & Jeannette Milner**, exec. v.p., Iowa Bankers Assn., Des Moines.



SOUTH Dakota bankers included **Mr. & Mrs. Fredric Cozad** & **Herbert Hudson**, all of Blackpipe State Bank, Martin.



HOWARD Peters, pres., American State Bk., Wessington Springs, S. D.; **Erling Haugo**, pres., Valley Nat'l Bank, Sioux Falls; **Bob Clausen**, v.p., Valley Nat'l, and **Art Haessig**, v.p., American Nat'l Bank, St. Paul.



SHOWN are **Carleton C. Van Dyke**, pres., First Tr. & Sav. Bk., Remsen, Ia.; **Robert D. Dixon**, pres., Rolfe St. Bank, Rolfe, Ia., & **F. Douglas Campbell**, pres., State Sav. Bank, Caro, Mich.



EFTS PANEL included (shown from left): **Robert E. Knight**, economist, Federal Reserve Bank of Kansas City; **H. L. Gerhart, Jr.**, pres., First Nat'l Bank, Newman Grove, Nebr.; **Lewis I. Markus**, economist from IBAA, Washington, D. C. (organizer of the panel); **William J. Davis**, v.p., American Nat'l Bank & Trust Co., Chicago, and **Edward A. Trautz**, pres., East Lansing State Bank in Michigan.

Bankers Association opposes the moratorium.)

"The basic problem in maintaining the independence of banks is how to arrange for the orderly transfer of ownership and succession of bank management without surrendering the bank to a large multibank holding company."

That was the core of a report presented by Robert D. Dixon, chairman of the IBAA's bank ownership and management succession subcommittee, and president of the Rolfe State Bank, Rolfe, Ia. Mr. Dixon said that his committee will establish a forum or seminar-type program for buyers and sellers of banks and for people involved in management succession. The date and place for the forum is to be announced.

Banking legislation in prospect was discussed by Thomas C. Brickle, IBAA legislative counsel.

Mr. Brickle labeled as regulatory tyranny rulings by federal appoin-

tees which flout Supreme Court decisions, Congressional policy, and the law of the land. He said IBAA would do its best to correct such unauthorized misuse of regulatory power.

Ag Picture

The agricultural economic picture was described by Pat DuBois, chairman of the IBAA agriculture-rural America committee and president of the First State Bank of Sauk Centre, Minn.

Noting the rapid decline in farm prices within the last year, Mr. DuBois challenged the bankers "to compare your bank's operation in light of your farm customers' difficulties. What would happen to your operation if your deposits declined 30% last year?"

He said the farmer is caught on the one hand between those who advocate a supply and demand market system, and on the other hand by those who advocate supply management with a reserve of feed

and food grains to stabilize prices for the benefit of the consumer and farmer.

Walter W. Heller, former chairman of the President's Council of Economic Advisors, told the delegates in a convention address that the country is in an economic decline but did not view it as a depression.

"All three forces that fastened the monstrous double-digit inflation on us in 1973-74 are abating in 1975," said Dr. Heller, who is on the faculty of the University of Minnesota.

Discussing the energy crunch, Dr. Heller said he favored Arab investments in this country, with certain reservations.

Arabs should not be allowed to invest in any type of defensive industries and they should not be permitted to boycott the Jewish communities or Jewish supporters.

The association's 46th annual convention will be March 14-18, 1976, at the Sheraton Waikiki in Honolulu.

AMERICAN Nat'l Bk., Chicago, reception finds (from l.): Mr. & Mrs. **Tom Kniep**, pres., The Poplar Grove St. Bk., Poplar Grove, Ill.; Mr. & Mrs. **Richard S. Durkes**, pres., City Nat'l Bank & Trust Co., Dixon, Ill., & **Allen & Betty Stults**, chmn., host bank.

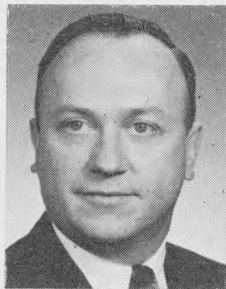
BANKERS Trust Co., Des Moines, breakfast (from left): **Tom Wright**, pres., & **Ben Eilders**, sr. v.p., host bank; **James Lipton**, exec. v.p., Ida County St. Bk., Ida Grove, Ia., & **Ben E. Summerwill**, pres., Iowa St. Bk. & Tr. Co., Iowa City.



Northwestern Banker, April 1975

Forms New Chicago Insurance Corporation

Richard T. Hepworth, former president of Financial Insurance Service, Inc., and one of the founders of that company, has formed a new insurance corporation under his own name. R. T. Hepworth Company will be headquartered in the Chicago area at 2340 River Road



R. T. HEPWORTH

in Des Plaines.

Opening at the same time and at the same address will be Insureco Midwest, Ltd., a joint venture with Insureco, Inc. of Burbank, Calif. Mr. Hepworth will be in charge of that company's business in all areas east of the Rocky Mountains.

The Insureco System, now five years in operation, is an automated insurance management concept — a computerized monitoring system that reports the insurance status of auto,

truck, trailer and other types of loans on movable chattels.

The United California Bank was the first to adopt the Insureco System which now operates in all 42 of its finance centers. Twenty-two banks affiliated with Western Bancorporation are expected to be in the Insureco System soon. Insureco is now expanding its computer capacity to enable it to service many Eastern and Midwestern banks which are expected to enroll through the efforts of R. T. Hepworth Co. and Insureco Midwest, Ltd.

Mr. Hepworth, an executive of Scarborough & Co. and Marsh & McLennan, Inc. before his association with Financial Insurance Service, has spent most of his professional life in the banking insurance field. He was instrumental in developing kidnap-ransom insurance for bankers and has contributed many innovations to the field of single-interest coverages.

Asked about his immediate plans for new business, Mr. Hepworth said, "We are prepared to program the Insureco System for banks of virtually

any size, anywhere. In addition to the computer track that makes it efficient, we will provide a participating deductible coverage. That means that the borrower as well as the bank can participate in what was formerly single-interest insurance. With the borrower sharing the deductible, banks can avoid permanent repossession losses in as many as 69% of all cases."

The R. T. Hepworth Company plans to offer a broad range of bank insurance coverages, adapting to their constantly changing needs.

Indiana Bank Stays Open 24 Hours Every Day

Colonial National Bank in Newburgh, Ind., now provides around-the-clock banking complete with personal teller service.

Customers get 24-hour service by using the bank's mini-lobby which is separate from the main office, or through the bank's drive-in banking facility equipped with a drive-in window and three Diebold Visual Auto Teller RI remote banking systems.



82nd ANNUAL FINANCIAL STATEMENT

December 31, 1974

ADMITTED ASSETS

Bonds: (Amortized)		
Government	\$ 3,889,814	
State, County and Municipal	19,085,935	
All Other	9,266,434	\$32,212,183
Stock: (Market — N.A.I.C.)		
Preferred	\$ 67,325	
Common	371,301	438,626
Real Estate — Including Home Office Building ..	800,065	
Cash and Bank Deposits	843,602	
Agents Balances and Reinsurance Receivable	5,736,266	
Interest Due and Accrued	427,315	
All Other	68,974	
TOTAL		\$40,557,031

MAX D. RUTLEDGE, President

LIABILITIES AND SURPLUS

Reserves for	
Losses and Loss Expense	\$ 5,866,040
Contingent Commissions	2,425,791
Taxes (Other Than Federal Income)	452,886
Unearned Premiums	3,817,156
Funds Held Under Reinsurance Treaties	568,267
Reinsurance Balances Payable	2,874,006
All Other	201,147
TOTAL LIABILITIES	\$16,205,293
Surplus as Regards Policyholders	24,351,738
TOTAL	\$40,557,031

DALE DEN HARTOG, Treasurer

ALBERT RUTLEDGE, Vice President & Secretary
Home Office 2323 Grand Avenue, Des Moines, Iowa 50312

Are You Ready for Disaster?

JOHN MUSATTO
Account Executive
Scarborough and Company
Chicago, Ill.

WHAT happens if your bank is damaged or destroyed by fire, explosion, earthquake or other disaster? Obviously, you carry insurance on the building and contents, but do you have emergency plans that can be implemented so your operations can continue — though perhaps not as smoothly as before?

Planning for emergencies is the most important element in handling an emergency. Any disaster or emergency plan has to be thorough and thoroughly communicated to bank personnel.

Questions

Some general questions may be used as guidelines to aid management in determining the adequacy of an existing plan or in drawing up one for the first time:

Who would make major repairs if damage to the bank occurs?

Have alternate ways to serve customers in the event the bank building is destroyed completely — or even partially — been arranged?

Have the availability, cost, and usability of alternate facilities been checked in the event the bank building is partially damaged or completely destroyed?

Has a check list been made of things to do as the threat of disaster grows — possible flood, wave of violence, fire spreading?

Have key employees been briefed in steps to take in an emergency?

Is it clear to all directors, officers, and employees who would take charge if the chief executive officer is not available?

Are copies of key records kept someplace other than in your bank building?

Have arrangements with suppliers or correspondent banks for equipment and personnel been made in the event of a disaster?

What supplies are currently used

and who are the vendors?

As supplies, particularly printed forms, are difficult to obtain on short notice, has an off-site back-up of critical supplies been provided?

Who has the back-up samples of each supply item and where are they located?

Has a back-up copy of the Disaster Plan been stored in an off-site location?

Is there insurance protection in force covering the additional costs of doing business at the original or a substitute location after the premises and/or its contents have been damaged or destroyed?

Insurance

An important element in your contingency planning is adequate insurance protection. Obviously, no disaster plan, no matter how comprehensive or elaborate, should be relied on exclusively to your possible detriment. Insurance is needed to back up and supplement your disaster plan **to cover the additional cost of doing business** after the premises, either the building or its contents or both, have been damaged or destroyed.

This particular form of insurance protection needed is called "Extra Expense" insurance.

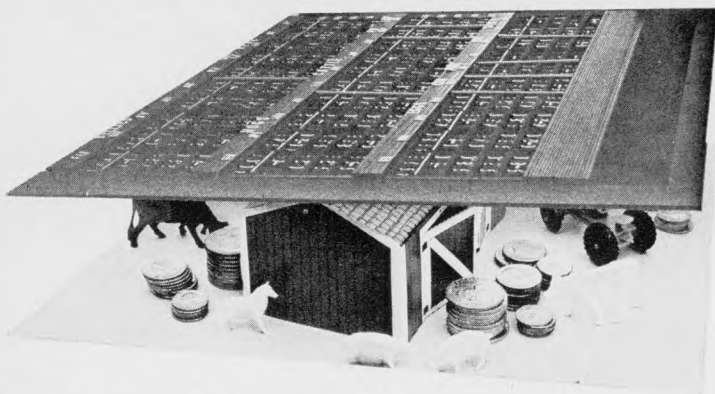
As part of your emergency planning, extra expense insurance is needed:

- To enable the continuance, as nearly as practicable, of the normal conduct of business;
- To retain good will by continuing to offer banking services;
- To sustain the pressure of competition during business suspension;
- To conform with various state banking acts and regulations which make it mandatory for banks to remain open for business, except on holidays.

Scarborough & Company, Bank Insurance Counselors and Specialists, offers Extra Expense insurance on an "All Risk" form. While other policies may cover only losses by fire, lightning, extended coverage and vandalism and malicious mischief, the All Risk form covers loss from **ANY** cause including perils not covered by other policies. These might include flood, earthquake, explosion, sprinkler leakage or water damage, collapse of building, etc.

—End

SECURITY BLANKET FOR FARM LOANS



Hedging contracts give you stable security against unstable prices

Is hedging a gamble? Far from it! It's the one sure thing in today's roller-coaster commodity market. It's a sure price for a farmer's production. It's better security on farm loans. Our free bi-monthly bulletin helps you make it work. Give your farm customers this chance at greater profit when the market rises, and protection against losses when it drops. Write or call us for details.

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"We have been very pleased with our new building . . .

We think this building program is a real asset to the community. Bank Building did a real fine job in handling the program for us. It takes a lot of coordination to manage a program like this, and the results have been gratifying to us."

Sam Bailey, President
Broken Bow State Bank
Broken Bow, Nebraska

We're the people who organize growth.

**Bank Building
Corporation**



1130 Hampton Avenue • St. Louis, Missouri 63139



Doug Carr
Omaha
(402) 895-0211



Roy Wingers
Waterloo
(319) 253-6969



I want to know more about Bank Building Corporation in the area of:

- Remodeling New Building Branch
 Market Study

Name _____

Institution _____

Address _____

City _____ State _____ Zip _____

Dawson Hail, Fargo, Reports Record Risk Volume in 1974

Dawson Hail Insurance Company of Fargo, N.D., completed its 58th season with a record volume of crop hail insurance. President Jim Dawson reports that the firm carried \$75,000,000 in crop risks in North Dakota, Minnesota, South Dakota, Iowa, and Nebraska.



J. DAWSON

Over 500 bank-related independent insurance agencies produced the bulk of the business in the five state area. Dawson Hail employs 40 adjusters on a per diem basis during the hail loss season. These adjusters receive special training at the Dawson Hail Adjusters School and through the use of the Dawson Hail Adjuster's Guide, a 500-page instruction book for adjusters that is in use in 19 foreign countries.

Policies in 1975 will be issued in

the name of Dawson Hail Insurance Company and the Regent Insurance Company. Lloyds of London carries 31% of the insurance pool and along with 17 other companies, this pool provides each policy with financial stability and Dawson with unlimited capacity.

Dawson Hail Company officers and personnel include, James Dawson, president, who is also a director of the Hunter, N.D., Security State Bank; Robert Dawson, vice president, who is also director of the First National Bank of Fargo, N.D.; Lyle Askerooth, vice president; Pearl Burley, treasurer; Tom Dawson, director, and Charles Fosberg, special agent.

Supreme Court Decision Causes Bankers Concern

Willis W. Alexander, executive vice president of the American Bankers Association (ABA), said recently that the U.S. Supreme Court decision giving to the Internal Revenue Service (IRS) the power to use a so-called "John Doe" summons to

examine bank customer records is "grave cause for concern."

The Supreme Court ruling (U.S. v. Bisceglia), announced February 19, gives the IRS authority to issue the "John Doe" or no-name summons to a bank for the purpose of examining a broad range of customer records.

This could be done to discover the identity of an unknown individual who might have been a party to a transaction suggesting possible liability for unpaid federal taxes.

The case came to light when the IRS sought to examine the cash exchange and deposit records during a 30-day period of all customers of the Commercial Bank of Middlesboro, Ky. The examination was conducted to discover the identity of the person or persons who deposited or exchanged \$40,000 in old \$100 bills and to determine whether an unpaid liability for federal taxes existed.

"Because of our concern with the importance of preserving the confidentiality of bank customer records against overly zealous or unauthorized government investigation, the ABA filed an Amicus Curiae brief in support of the bank's refusal to make these records available," Mr. Alexander stated.

To Head ABA Bank Investments Division

The investments division of the American Bankers Association (ABA) has elected D. Dean Kaylor, senior vice president of the National Bank of Detroit, as its chairman and Samuel B. Stare, senior vice president of Union Bank, Los Angeles, as its vice chairman for 1975-76.

Both men will assume their new positions at the conclusion of the 1975 ABA Convention next October in New York City.

Elected President of ABA Trust Division

Ray F. Myers, executive vice president for trust and investment services for the Continental Illinois National Bank & Trust Co., Chicago, has been elected president of the trust division of the American Bankers Association.

Elected to succeed Mr. Myers as vice president of the trust division is James W. North, executive vice president of the Chase Manhattan Bank, New York City.

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USLIFE CREDIT LIFE INSURANCE COMPANY

Credit Insurance Division for
General United Life Insurance Company
Des Moines, Iowa

A Year Ago You Didn't Know Our Name Today We're Number 2

Last year we did more than change our name.

In 1974 the insurance subsidiaries of United Guaranty Corporation moved solidly into the number two position in the private mortgage insurance industry measured by new residential insurance written.

It means we must be doing something right.

Maybe service.


**United
Guaranty Corporation**

826 North Elm, Box 21567, Greensboro, North Carolina, 27401/(919) 273-6961

Contact: United Guaranty Residential Insurance Co., P.O. Box 778, Bettendorf, Iowa 52722. In Iowa (800) 292-0047.
In States bordering Iowa (800) 553-8976.
United Guaranty Residential Insurance Co., 300 Morgan Building, Portland, Oregon 97205,
In Washington and Idaho (800) 547-1064, In Oregon (800) 452-7697.

Northwestern Banker, April 1975

Introduces New Mortgage Insurance Program

A NEW program providing special mortgage insurance coverage for lenders participating in government mortgage loan programs has been introduced by Continental Mortgage Insurance, Inc., Madison, Wis., a subsidiary of CMI Investment Corp.

Under the new program, described by the company as "Letter Perfect Protection," lenders planning to sell mortgages to the Federal National Mortgage Association, Government National Mortgage Association or Federal Home Loan Mortgage Corporation may obtain insurance coverage tailored to the requirements of the three agencies at a reduced premium rate.

FHLMC and GNMA require that conventional mortgages which they purchase carry private mortgage insurance on the amount exceeding 75% of loan to value ratio while FNMA requires insurance on the amount exceeding 80%.

Coverages

CMI's new program provides 22% coverage of 90 to 95% loans and 17% coverage of 80 to 90% loans to be sold to FHLMC or GNMA. On the 90 to 90% loans, the single 15-year premium has been reduced to 8/10% the first year and 1/4% thereafter. (For standard 25% coverage, the single 15-year premium is 2-3/4% while the annual premium is 1% the

first year and 1/4% thereafter).

On 80 to 90% loans, the single 15-year premium has been reduced to 2% (compared with 2-1/4% for standard 20% coverage) while the annual premium has been reduced to 4/10% the first year and 1/4% thereafter.

For loans to be sold to FNMA, CMI's new program provides 16% insurance coverage of 90 to 95% loans and 12% coverage of 80 to 90% loans. Single premium for the higher ratio loans is 2-1/4% while the annual premium is 5/8% the first year and 1/4% thereafter. Single premium on the 80 to 90% loans is 1.85%, while the annual premium is a constant 1/4%.

In conjunction with its program for FHLMC, GNMA and FNMA insured mortgages, CMI has also introduced a new standard coverage under which the company insures the top 10% of mortgages having loan to value ratio of 80% or less for an annual premium of .15%.

Options

Lenders using CMI's standard 20 or 25% coverage have the option of converting the insurance to the lower government minimums, at the lower premium rate, on mortgages which they decide to sell to one of the government agencies.

To further assist lenders, CMI has developed a single-page appli-

cation form on which all rates and coverages are detailed in simple chart form.

CMI now offer a free computer service enabling lenders to match their loans with FHLMC underwriting requirements and help to eliminate errors that could result in rejections.

The company said that its new rates and coverages have been filed in all 50 states and will become effective as soon as approved by the individual state insurance departments. They had been approved in 38 states as of March 1.

Chicago Bank Offers Special Discount Coupons

With more people looking for rebates and special discounts these days, The First National Bank of Chicago has come up with a way to boost saving for a rainy day and spur money-saving spending at the same time.

The bank is offering a handy pocket folder of "Get Ahead" coupons to customers depositing \$200 or more in a new or existing savings account.

In the money-saving offer are 36 coupons for special premiums and discounts ranging from \$1 on a \$20 grocery order to 50% on tickets to Chicago Cougars games, with 10, 20 and 30% discounts on other items in between. The coupons are good at over 2,000 Chicago area appliance, carpet, tire, clothing, jewelry, lumber, flower, shoe, drapery, drug, paint, hardware and auto stores, as well as theaters, restaurants, rental cars, motels and tours.

"This program is designed to encourage both thrift and economy," said Alex W. (Pete) Hart, vice president of the bank's retail marketing division.

Fed Proposes To Amend Regulation Y

The Board of Governors of the Federal Reserve System recently proposed to amend Regulation Y — regulation of bank holding companies — to clarify the circumstances under which a bank holding company may acquire assets of another company without prior Board approval.

The amendment proposed by the Board would require prior Board approval for any acquisition of all or substantially all of the assets of a company, or a subsidiary, division, department or office of a company.



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legroom, more comfort, better
looks. Our meals? Ask an Ozark
passenger about our new
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wine-and-cheese baskets. Fly
on Ozark Air Lines; you'll see.
We're going all out to give you the
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America's fastest-growing airlines.



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OZARK  **AIR LINES**

Northwestern Banker, April 1975

Copeland Schmidt

Data Processing Division, Beverly Bancorporation
1308 W. 105th St., Chicago, Ill. 60643

Dear Cope:

Please send me complete information on how we can economically compete and better serve our customers through Beverly's data processing systems.

NAME _____

BANK _____

ADDRESS _____

STATE _____ ZIP _____ PHONE _____

Data Processing Division, Beverly Bancorporation. A recognized leader in bank automation. Let us show you how your bank can economically compete and better serve your customers.

Return the coupon or call Copeland Schmidt direct at (312) 881-2500 and we'll give you the straight facts. It's that simple. What more can we say?

DATA PROCESSING DIVISION, BEVERLY BANCORPORATION, INC.

1308 W. 105th St., Chicago, Ill. 60643, 312-881-2500
WE DO TODAY WHAT OTHERS PROMISE FOR TOMORROW

what more can we say?

"I'm excited about the fast changes in the EFTS area, and being with Beverly, we bought the data processing capability we need now and have available to us any future capability we deem necessary, to compete and better serve our customers."

David A. Shern
President
Mid America Bancorporation, Inc.
St. Paul, Minnesota

"With the on-line central information file provided through Beverly Bancorporation's Data Processing Division system, we have integrated our customer information which has helped make our marketing dollars much more productive."

Robert Effinger
President
Oak Brook Bank
Oak Brook, Illinois

"Our decision to go with Beverly's Data Processing Division was simple — they gave us the most for our data processing dollar."

Donald L. Menefee
Executive Vice President
Mid-West National Bank
Lake Forest, Illinois



"Beverly's Data Processing Division service staff knows the processing problems of a smaller bank and that expertise is both important and essential to us."

James B. Lund
President
Matteson-Richton Bank
Matteson, Illinois

"Through Beverly Bancorporation's unique regional data processing system, a small independent bank like ours has the capabilities of large sophisticated machinery and programs which we obviously couldn't afford to assemble ourselves."

Ora G. Jones
President
Goodhue County National Bank
Redwing, Minnesota

84th Annual Convention —
Illinois Bankers Association
 May 4-6, 1975



W. O. KURTZ
 Pres.



R. C. SCHRIMPLE
 Exec. V.P.

**Palmer
 House,
 Chicago**

ABOUT 1,000 bankers and wives are expected to attend the 84th annual convention of the Illinois Bankers Association May 4-6 at the Palmer House in Chicago.

William O. Kurtz, president of the IBA and president, Metropolitan Bank & Trust Co., Chicago, has announced a distinguished list of speakers to address the convention. They include The Hon. Henry C. Wallich, member of the Board of Governors, Federal Reserve System, Washington, D. C.; The Hon. James E. Smith, administrator of national banks, Washington, D.C., and The Hon. Michael J. Howlett, Secretary of State, Springfield, Ill.

Other feature speakers will include George Auble, Chicago, and James Edward True, St. Louis, who will give an "EFTS Update," and R. William McNealy, group vice president with American Motors Company, Detroit.

The nominating committee had submitted the following names for IBA officers at press time: President—Arthur F. Busboom, president, Bank of Rantoul; First Vice President—Ray G. Livasy, president, Millikin National Bank, Decatur; Second Vice President (three candidates to date)—B. F. Backlund, president, Bartonville Bank; Joseph Connelly, president, Westchester Trust and Savings Bank, and John R. Montgomery III, president, Lakeside Bank, Chicago; Treasurer—G. Wallace Rich, president, First National Bank, Cobden.

The complete program follows:

You Will See Them at the 84th Annual Illinois Bankers Association Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the Illinois Bankers Association's 84th annual convention in Chicago May 4-6.

New York

Bank of New York: Pete Kronberg, assistant treasurer.

Chase Manhattan Bank: Ernie Church, assistant treasurer.

First National City Bank: Donald P. Fogerty, account officer.

Irving Trust Company: Francis W. Rode, III, assistant vice president.

Manufacturers Hanover Trust Com-

pany: George R. Bennett, vice president, and John F. Richards, assistant vice president.

St. Louis

First National Bank: Clarence C. Barksdale, president; Richard F. Ford, executive vice president; Paul M. Ross and Frank K. Spinner, senior vice presidents; Richard M. Rathgeb and Michael D. Flier, assistant vice presidents, and Charles L. Mountz, regional banking representative.

Mercantile Trust Company: Lynn H. Miller, executive vice president; James A. Smith and David T. Stoecker, vice presidents, and Jerald L.

Sunday, May 4

Noon Registration, Palmer House.
 Exhibit areas open.
 P. M.
 6:00 Past Presidents and Treasurers Dinner.
 6:00 Dinner for wives of Past Presidents and Treasurers.

A. M.

Monday, May 5

9:30 First General Session.
 Presiding—William O. Kurtz, president, Illinois Bankers Association; president, Metropolitan Bank & Trust Co., Chicago.
 "A View from the Comptroller's Office"—Hon. James E. Smith, Administrator of National Banks, Washington, D. C.
 "EFTS Update—Progress and Plans"—George Auble, director of payment systems, Midwest Automated Clearing House Association, Chicago, and James Edward True, executive director, Midwestern America Payments Exchange, St. Louis.
 "75th Anniversary Message from AIB"—George Alexander, executive councilman, AIB District 11; Continental Bank, Chicago.
 12:00 50-Year Club Luncheon.
 12:00 Ladies Luncheon.
 P. M.
 3:30 Council of Administration Meeting.

A.M.

Tuesday, May 6

9:30 Second General Session—Pres. Kurtz presiding.
 "A Positive View of the Economy"—Hon. Henry C. Wallich, Board of Governors, Federal Reserve System, Washington, D. C.
 "State of the State"—Hon. Michael J. Howlett, Secretary of State, Springfield, Ill.
 Address—R. William McNealy, group vice president, North American marketing, American Motors Company, Detroit, Mich.
 12:00 Luncheon.
 P. M.
 2:00 Annual Meeting and election of officers.
 7:00 Banquet and Dance.
 Music by Glenn Miller Orchestra, directed by Buddy Morrow.—**End**

Fleschner, assistant vice president.

Bank Equipment and Other Firms

Bank Building Corporation: George Cardis and Richard Engstrom, consultant services managers, northern division; Lyle McEldoon and Howard Rapp, consultant service managers, central division.

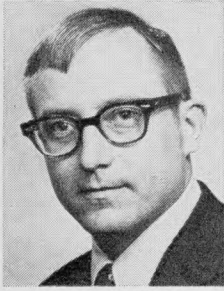
Bank Consultants of America: R. L. Schutt, Doug Baker, Wayne Shaw, Harry Myers, Marvin Knedler, and Chuck Loop.

HBE Bank Facilities Corporation: Ted Luecke, president; Francis E. Howell and Robert J. Burk, client service representatives.

SLT Warehouse Company: Bob Dolan and Larry Morice.

Glendale Heights Bank Elects President

David L. Brewer has been elected president and director of the First Security Bank of Glendale Heights. Formerly executive vice president, Mr. Brewer has been chief executive officer of the bank since its inception in April of 1972. Prior to that he served as assistant vice president of the Bank of Naperville. He is a 1964 graduate of North Central College in Naperville.



D. L. BREWER

Bank of Sugar Grove Holds Grand Opening

More than 2,000 people recently were welcomed to the grand opening of the new Bank of Sugar Grove, Cross Street and Illinois Route 47, with an abundance of free refreshments, balloons, pens and carnations. The opening included a special free checking account offer for new customers which entitled individuals



G. WARD Stearns, chmn., Bank of Sugar Grove, Arlyn Jahr, city mayor and Frederick R. Mason, c.e.o., prepare to cut the ribbon signifying the official opening of the new bank.

opening an account before April 1 to no service charge checking until April 1, 1976.

Total authorized capital for the new bank was \$650,000 which was raised through the sale of 26,000 shares of stock sold at \$25 per share.

Directors of the bank are: John J. Case, president of Agrinetics, Inc.; Russell E. Flanders of Elburn, a farmer; Eldon H. Hatch, a realtor; Raymond L. Larson of Maple Park, a farmer; James Polivka of LaFox,

owner of the Manor at Willoway in Naperville; Leigh Sauer, Jr., of Sugar Grove, a farmer; and G. Ward Stearns, president of the Bank of Naperville.

To Head DeKalb Bank

John R. Kuiken recently was elected president of the First National Bank in DeKalb. Henry M. Meier, president and vice chairman, became chairman of the board.



J. R. KUIKEN

Mr. Kuiken, a native of Illinois, joined the bank in October of 1959 to head the agricultural loan division. His field expanded rapidly to mortgage and business loans and then into the restructuring of the data processing operations for new fields of computer activity.

Executive Changes at Commercial Nat'l, Peoria

The formation of a commercial banking division to be headed by Robert T. Stevenson, Jr., vice president, has been announced by David E. Connor, president of the Commercial National Bank of Peoria.

Included in the new division is the metropolitan department to be headed by John E. Weidman, vice president and former head of the bank's commercial loan department. Another new department, to be known as the Illinois department, will have responsi-



STEVENSON

HESSING

HART

bilities for correspondent bank accounts, agri-business relationships and commercial customers outside the Tri-County area. Brock L. Hessing, vice president in the commercial loan department, will head this department.

Harley E. Hart, vice president in charge of the time-pay department, will head a new dealer finance department. Also included in the new

division will be the real estate department headed by Robert W. Iber, assistant vice president. Also to be supervised by Mr. Stevenson will be the loan review and administration department headed by Ralph N. Kent, assistant vice president, formerly responsible for the credit and note departments.

Chicago News

SAMUEL Wm. Sax, chairman and chief executive officer of the Exchange National Bank, has announced the election of five officers. They are Bernard W. Owens, commercial banking, to vice president; Jerome Ex and Donald H. Reisse, auditing and John F. Fitzgerald, commercial banking, to assistant vice presidents; and Theodore Yosha, to manager of data processing in the international banking department.



B. W. OWENS

* * *

Seaway National Bank has elected Ernest Bush and Howard C. Medley, Sr, to its board of directors, according to Richard Linyard, president.

Mr. Bush is owner and president of Bush Construction Company. Mr. Medley is president of Medley's Moving Van Lines.

* * *

Janice L. Barnay recently joined the Michigan Avenue National Bank as assistant director of marketing, according to Robert F. Chana, vice president and marketing director. Ms. Barnay previously was with Central National Bank in Chicago.

* * *

LaSalle National Bank has announced the following promotions to assistant vice president; Thomas H. Benjamin, Christopher J. Koegel and Michael Reba, municipal bond department, and Robert E. Fredenburgh, national division.

Other promotions include Linda J. Bobert to investment officer, municipal bond department and Rodney K. Miller to loan officer, metropolitan division A.

"A man's got to get some mud on his boots before he's any use out here."

The city is the city.
The country is the country.
That's a difference we've always appreciated at American National.

And so we offer our correspondents several unusual services specially developed to meet the needs of banks outside the big city.

For example, we have an automated bond accounting service that can streamline your investment pricing, and the accounting on your whole investment portfolio.

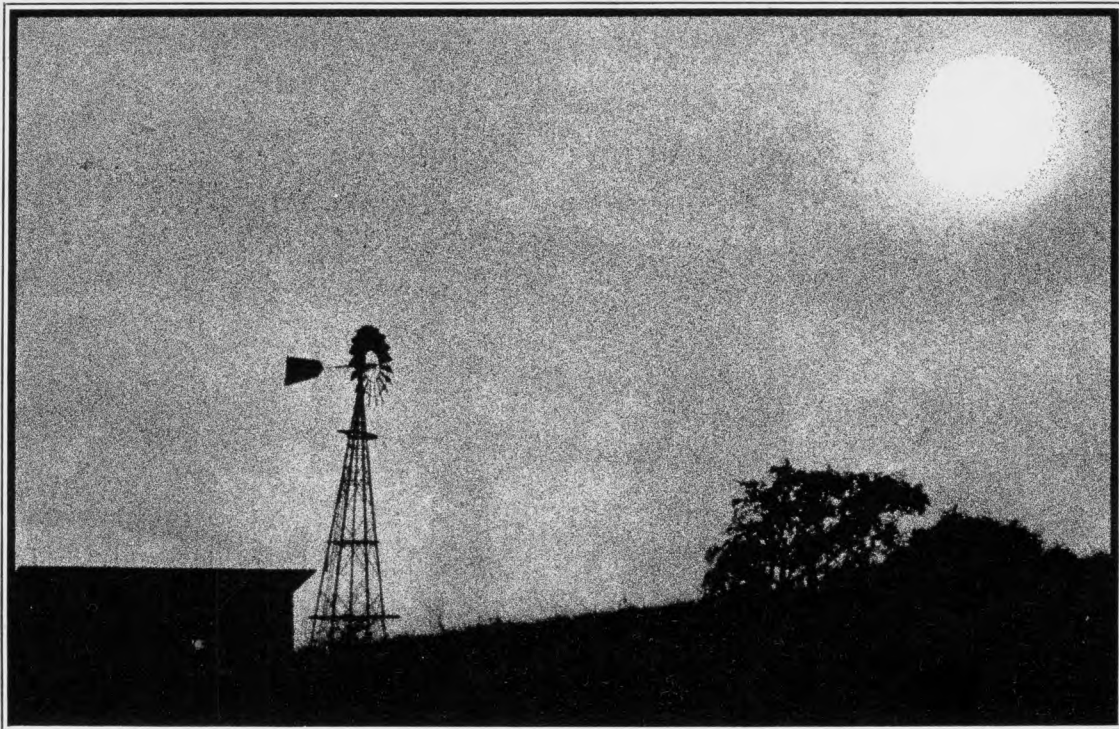


And we can offer you a whole range of management tools, from expense reporting systems to employee benefit programs.

We've also staffed our correspondent department with people who understand the unique needs of a small city bank. From personal experience.

One of them is Mike Byrne.

And we hope you'll call him the next time you need the kind of help that only a big-city bank can offer.



THE American National Bank
AND TRUST COMPANY OF CHICAGO

LaSalle at Washington/LaSalle at Wacker 60690/Phone (312) 661-5000/Member FDIC

To Head Willowbrook Bank

First Security Bank, Willowbrook, now under construction at 100 E. Plainfield Road, has announced the appointment of Joseph P. Geary III of Beverly Hills to chief executive officer.

Mr. Geary, who will carry the title of executive vice president and cashier, was formerly vice president assigned to the commercial lending division of the South Shore National Bank in Chicago. He had been with that bank since 1963.

The new bank will be located in an 8,000 square foot building on two levels with ample drive-up and parking facilities.



J. P. GEARY III

BMA Plans 15th Chapter In Central Illinois

The 15th Bank Marketing Association chapter recently was formed in Central Illinois.

The Central Illinois chapter serves banks in the Peoria, Bloomington, Springfield, Pekin and Galesburg areas of the state.

Newly elected officers are: president — Hazen M. Allen, vice president, Commercial National Bank, Peoria; first vice president — Ron Sides, marketing department, Springfield Marine Bank; second vice president — H. Ray Moore, vice president, First Galesburg National Bank and Trust; Secretary — Rosalie Danielson, marketing department, Citizens First National Bank, Princeton; and treasurer — Robert H. Baker, vice president, Jefferson Trust and Savings Bank, Peoria.

Chapter directors are: Ray E. Baxter, assistant vice president, Peoples Bank of Bloomington; Susan G. Horn, director of marketing, Citizens National Bank of Macomb; Jack Ewing, assistant vice president, Union National of Macomb; Donald Rasmussen, assistant vice president, Hergert National Bank of Pekin; Ray Thuranger, assistant vice president, First National Bank and Trust Company, Pekin; Eugene E. Janssen, assistant vice president, South Side Trust and Savings Bank, Peoria; Penny Klein, marketing division, Jefferson Trust and Savings Bank, Peoria;

Shirley A. Garzee, marketing department, South Side Trust and Savings Bank, Peoria; Fred Block, Block and Company, Washington; Sally Givens, Ross Advertising, Peoria; William C. Rodgers, assistant vice president, Commercial National Bank, Peoria; and Richard K. Riedel, sales representative, First National Bank, Decatur.

Sporer Heads IBA Consumer Credit Division

Thomas A Sporer, vice president of the American National Bank in Chicago, was elected president of the Illinois Bankers Association (IBA) consumer credit division at the division's annual meeting at the Peoria Hilton Hotel recently.



T. A. SPORER

His term begins July 1, 1975.

Other officers elected include first vice president, Robert G. Streuter, vice president, City National Bank, Murphysboro; second vice president, Lawrence A. Wilson, vice president, City National Bank and Trust Company, Dixon, and secretary, Norman C. Peterson, IBA, Chicago.

Executive committee members elected for a three-year term are B. J.

Receives Award



THE Honorable Edward Brooke (left), U. S. senator from Mass. joined by V. P. Nelson A. Rockefeller (center), congratulates Dempsy J. Travis, Chicago businessman, recipient of a Black Enterprise Achievement Award from Black Enterprise Magazine. Mr. Travis is a dir. of Seaway Nat'l Bank, Chicago, heads Sivart Mortgage Company, is founder and pres. of Travis Realty, and is a former pres. of the United Mortgage Bankers Assoc.

King, assistant vice president, Herrin Security Bank and James N. Brasel, assistant vice president, First National Bank, Woodstock. Elected for a two year term is Robert Ritter, manager, instalment loan department, Bank of Pontiac.

Mr. Sporer's career began somewhat differently than most of the IBA division's presidents. From 1945-47 he held the position of "player" for the New York Yankees. In 1947 his financial career began as vice president of Universal C.I.T. Credit Corporation. He entered banking in 1968 as office manager, marketing and financial services division at the American National Bank, Chicago. In 1969 he served as instalment loan officer; 1969-72 he served as second vice president and from 1972 until present as vice president and division head.

To Organize CitiBank In Champaign

A permit to organize has been issued to the CitiBank in Champaign, 303-311 West Kirby Street, Champaign, Champaign County.

Organizers are: Durward G. Judy, Kenneth W. Stotler, John L. Franklin, Lloyd R. Worden, Jr., Lewis H. Clausen, all of Champaign.

2 Promoted at Naperville Bank

John Herod has been promoted to vice president and cashier of the Suburban Bank of Naperville. Prior to joining the bank, Mr. Herod spent 14 years in operations at LaSalle National Bank.

Also announced was the appointment of Betty Koudelik as assistant cashier. She formerly was head teller at Citizens National Bank of Downers Grove.

Bank of Elmhurst Names Vice President

Rita M. Hoffmann has been promoted to vice president in charge of real estate lending at the Bank of Elmhurst, according to William T. Giova, bank president.

Mrs. Hoffmann has been with the bank since it opened in 1969 starting as a note teller. She most recently was vice president. Prior to joining the bank in 1969 she was associated with North America Federal Savings and Loan.

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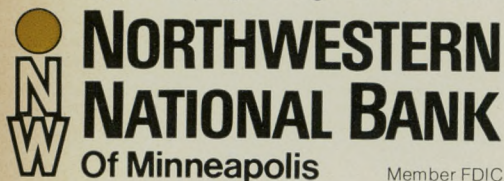
Our Jon Bjornson heads an exclusive Northwestern Bank service called Operation Open House. With it, he can produce any kind of deposit-building promotion you have in mind.

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Minnesota News

G. M. PIESCHEL President Springfield

T. L. JEFFERS Exec. V.P. Minneapolis



To Hold Community Bankers Seminar

HOW To Increase Deposits and Profits is the topic of the Community Bankers Seminar to be held April 15 and 16 at the Radisson South Hotel in Minneapolis. The meeting is sponsored by the Bank Marketing Association (BMA) and the Minnesota Bankers Association in cooperation with the Minnesota chapter of BMA.

Registration begins at 12:30 p.m. Tuesday, April 15, in the Great Hall Foyer followed by the general session at 1:30. Some of the topics to be discussed include Management by Objectives and Employee Relations; Marketing & Public Relations; A Profitable Management Tool; EFTS; and Future Environment for Bank Marketing.

A large part of the meeting will be devoted to workshops on such subjects as Communicating with the Media — Radio, Newspaper & Banking Publications; How To Do Cross-Selling/-Employee Communications; Market Segmentation; How To Market to the Agri-Business Community; How To Deal with Consumerism, Community Relations; Profit Planning, Premiums; and Packaging.

Elected at Hoyt Lakes

Charles A. Stiles has been named a director of the First National Bank of Hoyt Lakes. Mr. Stiles is assistant general manager of Pickands, Mather and Company.

Montevideo Bank Elects Three New Directors

O. B. Rekow, president, has announced the election of Norman Bosch, Luthard Molde and Ray Welker to the board of First National Bank in Montevideo.

Mr. Bosch is engaged in dairy, beef feeding and cash crop production northeast of Montevideo. Mr. Molde is a partner with his brother in a firm engaged in the sale and service

of electrical appliances and equipment and electrical and plumbing contracting. Mr. Welker is president of Welkers, Inc., in Montevideo and Key Business Products in Willmar.

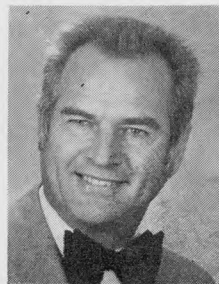
Columbia Heights Bank Promotes 3 Officers

Karl D. Stotesbery, president of the Marquette State Bank of Columbia Heights, has announced the promotions of three members of his officer staff: William Laing to executive vice president, M. L. Grotewold to vice president and David B. Carstensen to assistant vice president.

Mr. Laing has been vice president at the bank since January of 1974 coming to the bank after 13 years with the Northwestern State Bank, Osseo. In addition to administrative duties, he is responsible for the commercial and real estate lending areas.



W. LAING



M. L. GROTEWOLD



D. B. CARSTENSEN

Mr. Grotewold has been instalment loan manager since December of 1973. He will have full responsibility for the instalment loan portfolio.

Mr. Carstensen joined Marquette as an instalment loan officer in April of 1971. He formerly was with IDS Credit Corp. for five years working in its Detroit, Cleveland and Minneapolis offices. His primary area of

responsibility is in the instalment lending department.

Named at Montevideo

Gary D. Radel has been appointed an assistant vice president of the First National Bank in Montevideo, according to O. B. Rekow, bank president. He joins the bank after four years with Gambles Continental State Bank of St. Paul where he served as vice president and lending officer.

Savage Bank Names Assistant Cashier

Bob Lexvold, president of the Security State Bank of Savage, has announced the promotion of Marion A. Buscher to assistant cashier. Ms. Buscher joined the bank in 1971 as supervisor of bookkeeping. She has had approximately 20 years of banking experience.

Stillwater Bank Names Wilcox Director

Richard S. Wilcox, Jr., president of Wilco, Inc., has been elected to the board of the Northwestern State Bank of Stillwater. The announcement was made recently by J. C. Graham, president.

G. Oosterhuis

Funeral services were held recently for Gerald Oosterhuis, vice president of the Oglivie State Bank.

Mr. Oosterhuis had been employed at the bank for 27 years. He was a past president of the 6th District Minnesota Bankers Association.

Norwood Bank Director

Leonard (Dick) Lano has been appointed to the board of Citizens State Bank of Norwood. He is a partner in Lano Brothers Implement.

Pat Kirby Joins Waterville Bank

Pat Kirby has joined the Citizens State Bank of Waterville as loan officer. Mr. Kirby, a native of Fonda, Ia., formerly was employed by the Federal Deposit Insurance Corporation.

Willis E. Weber

Funeral services were held recently for Willis Eugene Weber, 51, executive vice president of the State Bank of Springfield.



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Avery G. Fick
370-2166

Bill Addington
370-2165

Bill Rosacker
370-2164

Dick Holmes
370-2167

Len Erickson
370-2168

Correspondent Banking Department



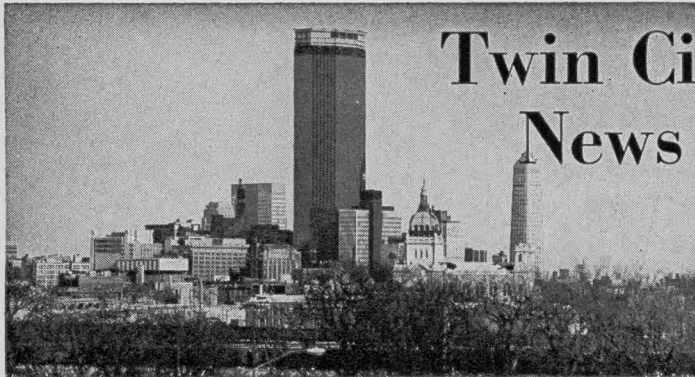
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THE BANKAMERICARD BANK

Twin City News



ROBERT N. Wolfe, 58, has been elected chairman of the board of the Eastern Heights State Bank, St. Paul, succeeding **Lyle H. Fisher** who died in December of 1974. Mr. Wolfe is a 3M Company vice president of management information.



R. N. WOLFE

Also announced was the election of **Ralph D. Ebbott**, 47, 3M Company vice president of management information, to the board. His election brings the bank's number of board members to six.

The bank was established by 3M in 1958.

* * *

Roger L. Hale, president of Tenant Company, floor maintenance equipment manufacturer, has been elected to the board of First National Bank of Minneapolis.

Previously, since 1970, he has served on the advisory committee of the bank's West Broadway office.

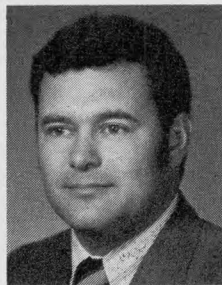
Mr. Hale also is on the boards of the Valspar Corporation and the

Walker Art Center and is a member of the Citizens League.

Also announced was the election of **Frank B. Krause** as a senior vice president. He becomes deputy head of the trusts and investment management group and will continue in charge of the trust administration department. A graduate of Carleton College and the University of Minnesota Law School, he joined First Minneapolis' trust staff in 1941. Since 1963 he has been vice president and senior trust officer.

* * *

John E. Morgan has been promoted to director of marketing services at First National Bank of Minneapolis. For the past year he has been the bank's advertising manager.



J. E. MORGAN

Prior to joining First Minneapolis, Mr. Morgan was with Campbell-Mithun advertising agency as account manager, and also with International Timesharing Corporation.

Mr. Morgan is a life-long resident of Minneapolis and a graduate of St. Thomas College. He resides in Wayzata.

* * *

Funeral services were held recently for **Clarence E. Drake**, 95, former vice president of Northwestern National Bank. Mr. Drake was born in Iowa and came to Minneapolis in 1900. He joined the Minnesota Loan and Trust Co. in 1912.

* * *

Northwest Bancorporation has announced the promotions of **Ronald R. Hedger**, **Clifford S. Jacobson** and **Anita M. Johnson** to assistant vice presidents and **Dean H. Hoppe** to personnel officer.



HEDGER

JACOBSON

JOHNSON

Mr. Hedger joined the bank in 1966, was elected investment officer in 1970 and joined the investment department in 1972.

Mr. Jacobson began his career with Banco in 1969 as a credit analyst. He moved to Northwestern National Bank Southwest in 1971 and is now in the commercial loan division.

Ms. Johnson joined Banco in 1960, was elected assistant secretary in 1968 and investment officer in 1971.

Mr. Hoppe previously was with the Iowa-Des Moines National Bank, Banco affiliate.

* * *

Tyron K. Estlick has joined the First National Bank of Minneapolis as an investment officer in the personal trust portfolio management division

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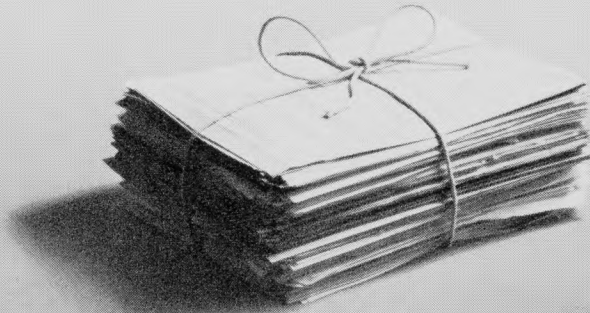
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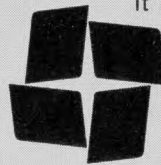
Paperwork is just one of the burdens of student loan administration. It takes scores of man-hours, training, and proper equipment just to get the job done.

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administration details. And our experience with lenders of all sizes has proven that we can save you money. And make your student loan program more profitable for you.

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of the trust investment division. Since graduating from Butler University, he had been a portfolio manager at the Merchants National Bank and Trust Company in Indianapolis.

* * *

Paul Gubrud has been promoted to vice president of Dain, Kalman & Quail, Incorporated, in the firm's institutional bond department.

Mr. Gubrud joined the company in 1971 and has specialized in working with banks on their municipal, government and corporate bond portfolio requirements in northern Minnesota, northwestern Wisconsin, North Dakota and north central Iowa. He was named an assistant vice president in August of 1974.

State Bank of Hamburg Names President, Chairman

The State Bank of Hamburg has advanced Henry C. Reget from president to chairman and has advanced Kenneth Oelfke to president.

Mr. Oelfke joined the bank in August of 1966 and was named cashier in January of 1967 and executive vice president in February of 1969. Prior to joining the bank he

was manager of the Hamburg Co-operative Association.

Promoted at Albert Lea

Gordon L. Bickle, president of the Freeborn National Bank of Albert Lea, has announced the promotions of James G. Brisbane and James Schindle.

Mr. Brisbane was promoted from assistant manager of the instalment loan department to assistant cashier and assistant manager of the department. Mr. Schindle was promoted from adjuster to personal loan officer of the instalment loan department.

Theo. A. Sletta

Funeral services were held recently for Theo. A. Sletta, president of the State Bank of La Salle.

Mr. Sletta, a graduate of St. Olaf College, had worked with federal farm loans from 1930 to 1934 and had served as cashier, bank manager and president of the La Salle bank from 1935.

Clarissa Bank To Expand

The Farmers State Bank in Clarissa has announced plans to enlarge its

facilities by extending into the building next door according to Merle Larson, bank president. Plans call for more offices, larger lobby area and book-keeping areas.

Architects for the remodeling process will be Madsen and Associates of Battle Lake.

Promoted at Williston

Norma Maxwell has been promoted to assistant trust officer at the First National Bank & Trust Co. of Williston. She has been secretary for the trust department since its organization in 1970.

Springfield State Elects Schmitz President

The Springfield State Bank has elected Glenn Schmitz executive vice president replacing the late Willis Weber. Mrs. Fidelis Steinke, assistant cashier and a bank employee for the past 24 years, has become cashier, the position formerly held by Mr. Schmitz. Ray Bielen has been appointed agricultural representative, a new position.

Mr. Schmitz is also a director of the bank. He attended the Graduate School of Banking at the University of Wisconsin, Madison, 1965-67.

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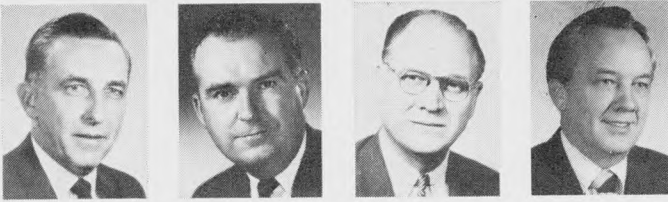
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Community Bankers Seminar Scheduled for April 15 - 16



THE program committee includes (left to right): Chmn. **S. R. Wheaton**, exec. v.p., First Nat'l Bank, Elk River; **Richard A. Erickson**, a.v.p., Midland Nat'l Bank, Minneapolis; **Warren Hinze**, pres., First Edina Nat'l Bank; and **Monroe Stenerson**, v.p., Richfield Bank & Trust Company.

Radisson South Hotel, Bloomington

Tuesday, April 15

P. M.

12:30 to

- 1:30 Registration—Great Hall Foyer
- 1:30 Welcome & General Session—Great Hall East
Management by Objectives & Employee Relations—
Louis A. Seiberlich, Jr., senior partner, Omnisystems,
Inc., Milwaukee, Wisc.
Marketing & Public Relations: A Profitable Management
Tool—C. Bernard Jacobs, chairman and chief executive
officer, National City Bank of Minneapolis
- 3:30 Informal Discussion & Break
- 3:45 Workshops
Communicating with the Media—Great Hall East—
Radio, Newspaper & Banking Publications—Curtis
Beckmann, news director, WCCO Radio, Minneapolis;
John F. Callender, vice president and sales manager,
American Newspaper Representatives, Inc., Minneap-
olis, and Malcolm Freeland, president, Northwestern
Banker, Des Moines, Ia.
How To Do Cross-Selling/Employee Communications—
Veranda I & II—Louis R. F. Preysz, III, marketing &
personnel officer, Security First National Bank,
Sheboygan, Wisc.
Market Segmentation—Veranda III & IV—Rob McCamp-
bell, assistant vice president, Marquette National Bank,
Minneapolis
- 5:30 Cash Bar
- 6:30 Minnesota chapter, BMA, Dinner (not included in
registration fee).

Wednesday, April 16

A. M.

7:30 to

- 8:30 Registration—Great Hall Foyer
- 8:00 Breakfast & General Session—Great Hall East
EFTS—What is Happening in Educating the Consumer:
Are We Becoming More Successful?—Russell C.
Browne, Jr., advisor for payment systems, Office of the
Comptroller of the Currency, Washington, D. C.
- 9:30 How To Do It Workshops
How To Market to the Agri-Business Community—Great
Hall East—Richard S. Goos, vice president, First
National Bank, Council Bluffs, Ia.
How To Deal with Consumerism—Veranda I &
II—Thomas J. Prosser, president, Marine National Bank,
Neenah, Wisc.
Community Relations—Veranda III & IV—Mark Dignin,
marketing executive, Farmers & Merchants Bank,
Menomonee Falls, Wisc.

- 10:30 Informal Discussion & Break
- 10:45 9:30 Workshops Repeated
- 11:45 Lunch—Great Hall East—Would You Rather Fight Than
Switch?—Richard H. Stebbins, president, Richard
Stebbins & Associates, Inc., Minneapolis

P. M.

- 1:30 How To Do It Workshops
Profit Planning—Great Hall East—Rodney S. Brutlag,
vice president and director, community banking
division, Bank Marketing Association, Chicago.
Premiums—Veranda I & II—Jerry S. Maples, executive
vice president, Jackson State Bank & Trust Co.,
Maquoketa, Ia.
Packaging—Veranda III & IV—Gary A. Scott, vice
president, marketing, Citizens Bank & Trust Company,
Park Ridge, Ill.
- 2:15 1:30 Workshops Repeated
- 3:00 Informal Discussion & Break
- 3:15 Wrap Up/Evaluation—Great Hall East
Future Environment for Bank Marketing—Alex W. (Pete)
Hart, vice president and director of retail marketing,
First National Bank, Chicago
"My Financial Career"—movie made available through
Bank Marketing Association.

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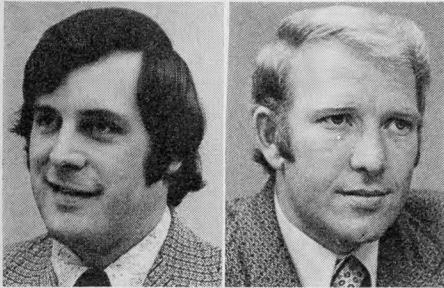
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Hastings Bank Appoints Dotson and Storey

Arvid B. Evensvold, president of the First National Bank of Hastings, has announced the appointment of



D. DOTSON

B. B. STOREY

David Dotson as assistant vice president and assistant trust officer and Bruce B. Storey as assistant vice president.

Mr. Dotson has been associated with the First National Insurance Agency since November of 1973. He also is an agent and manager of the First Agency of Hastings. Mr. Storey formerly was an instalment loan officer at Citizens Bank and Trust in Hutchinson.

Lidgerwood Bank Elects 2 Directors

Two new members have been named to the board of directors of the First National Bank of Lidgerwood, according to Darwin Ronngren, bank president. They are Leo Ehli,

MBA Scholarship Recipient



THE 1974-75 recipient of the Minn. Bankers Association Graduate Fellowship Award in banking & finance at the University of Minn. was announced by G. M. Pieschel (left), MBA pres., as Lee B. Skold (right), Hopkins. \$2,500 was presented to Mr. Skold, a student at the University's Graduate School of Business Administration. He attended Northwestern University and received his bachelor's degree in business admin. from the University of Minn. in June of 1974.

owner of Movius Insurance Agency and real estate broker, and Elmer H. Frank, owner of Walby Funeral Home in Lidgerwood and Wipperman Funeral Home in Hankinson.

Emmons Bank Director

Clifton C. Cavanaugh, vice president and manager of First National Bank of Emmons, has been elected a director, according to Herbert A. Lund, bank president.

Mr. Cavanaugh has been the bank's manager since 1973 and formerly was cashier of the State Bank of Clarks Grove.

Fills Vacany on Lakefield Board

Lloyd Kruse, president of K & S Construction and vice president of Hugo Schulz, Inc., has been elected to

the board of the First National Bank of Lakefield. He fills the seat that has been vacant since the departure of Douglas Lee, former president of the bank.

Named to NW Board At Austin

Edmund E. Smith has been elected a director of Northwestern State Bank, Austin, according to Carl W. Beireis, bank president. Mr. Smith is publisher of the *Austin Herald*.

Austin Bank Opens New Facility

Grand opening of the second and major phase of the First National Bank of Austin's three-part building program was held recently.

The new 23,000 square foot, two-level structure, is the fourth new facility since the bank was founded in 1868. First phase of the program was the construction of a drive-in facility. The old bank will now be razed and reconstructed to house the Austin National Co. and the First National Travel Agency, thereby completing the third phase.

Increases Capital

First State Bank of Freeborn has increased its capital stock from \$50,000 to \$100,000 by stock dividend.

Promoted at Ivanhoe

Agnes E. Rybinski has been named assistant cashier of the State Bank of Ivanhoe. She has been with the bank since March 23, 1959.

State Bank of Byron Names Assistant Cashier

James R. Anderson has been appointed assistant cashier of the State Bank of Bryon, according to R. F. Williams, president.

Mr. Anderson joined the bank in July of 1973 and has served as a teller and management trainee.

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The Bank Poll.[®]

Automatic Teller Machines

In the seven-state area, 96% of the banks do not offer 24-hour service through automated teller machines. Among the largest banks, however, 4 out of 10 do employ this service.

Only 3% of those not presently using automated teller machines foresee installing them in 1975.

1. DOES YOUR BANK OFFER 24-HOUR SERVICE THROUGH THE USE OF AUTOMATED TELLERS?

Response:	No	Yes	No Answer	Total
All Banks %	96	3	1	100

2. IF NOT, DOES YOUR BANK PLAN TO INSTALL SUCH FACILITIES DURING 1975?

Response:	No	Yes	Not Certain	No Answer	Total
All Banks %	82	3	12	3	100

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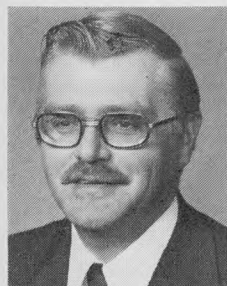
South Dakota News

HENRY B. SCHELLE President Chamberlain

J. I. MILTON SCHWARTZ Secretary Huron

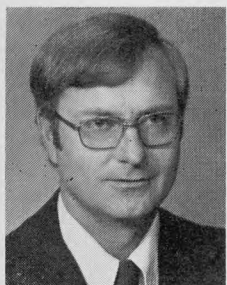
Mitchell Bank Announces Officer Promotions

Boyd Knox, chairman and president of the Commercial Trust and Savings Bank, has announced the promotion of three officers to vice presidents and a number of other title changes.



D. D. DITMANSON

Promoted to vice presidents are Donald D. Ditmanson, Richard V. Martin and Bruce G. Meyer. Assistant cashiers who were promoted to assistant vice



R. V. MARTIN



B. G. MEYER

presidents are James A. Ahrendt, Vernon M. Wulf and Keith D. Lunde. Mr. Wulf also is auditor. Appointed assistant cashiers are Robert E. Young and Gary L. Slade.

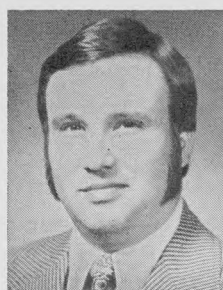
Mr. Ditmanson joined the bank in 1966 as agricultural representative, was named assistant cashier in 1967 and promoted to assistant vice president in 1969.

Mr. Martin began employment at the bank in 1963 as manager of the instalment loan department.

Mr. Meyer joined the bank in 1969 as manager of the instalment loan department, a position he continues to hold.

Union Bank Promotions

Charles D. Rogness, chief executive officer at Union Bank & Trust Co. of Sioux Falls, has announced three staff changes.



Promoted to vice president and cashier at the main office is Gerald B. Feldhaus. He will be in charge of lending activities.

Clarence B. Erickson, who recently completed 27 years with the bank, was promoted to manager of the 41st Street office. Lawrence Behl was appointed credit manager.

Aberdeen Bank Elects 3 Officers

C.P. (Buck) Moore, president, First National Bank of Aberdeen, has announced the election of the following three officers: Don Anderson, agricultural loan officer; Tim Melin, assistant vice president and trust officer, and Alan Shippee, trust officer. All three are at the bank's main office.

Mr. Anderson, a native of Klemme, Ia., joined the bank in the agricultural

lending area in April of 1974.

Mr. Melin, a native of Minnesota, comes to Aberdeen from Northwestern National Bank, a Banco affiliate, where he served as trust officer. He graduated from the University of Minnesota in 1969 and joined Northwestern Bank in 1967 working in teller, operations and trust areas. His appointment is effective April 24.

Mr. Shippee, a native of Providence, R. I., is a graduate of Carthage College, Kenosha, Wisc. He joined the trust department of First National Bank of Lake Forest, Ill., in 1968, and from 1971 until the present was trust officer with the First National Bank of Evanston, Ill.

First Dakota, Yankton, Announcements

At the annual shareholders' meeting of First Dakota National Bank of Yankton, the board accepted the resignation of Hugh C. Danforth, honorary chairman, and elected as director, in his place, his daughter, Sara D. Assland.

N. C. Gross, chairman, also announced that the new drive-in facilities, which will include four lanes of traffic south of the bank, will be completed this summer.



SHOWN is R. H. Garry (left), pres. & t.o., Security Bank & Trust, Webster, presenting an award to Thos. E. Porter (center) for his nearly 43 years of service to the bank. Catherine Porter is on the right.

Webster Bank Hosts Tom Porter Day

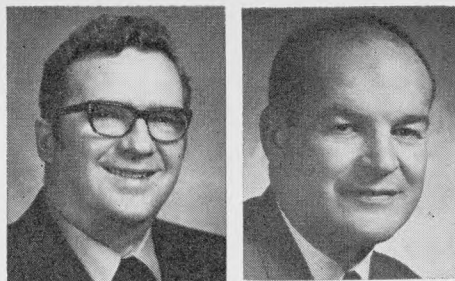
THE Security Bank and Trust Co., Webster, recently hosted a "Tom Porter Day" honoring Thos. E. Porter for his nearly 43 years of service to the bank. Mr. Porter began his banking career in Webster in 1932 when he was elected assistant cashier. In 1942 he was elected president and

in 1965 chairman, a position he held until his retirement on January 16.

Nearly 300 people gathered to offer their regards to Tom and his wife Catherine while sharing coffee and cake with them. Mr. Porter was presented a framed Resolution of Appreciation from the board.

North Dakota News

E. E. KAUTZMANN **President** **Mandan**
W. J. DANER **Secretary** **Bismarck**



Bank of Kirkwood Plaza Opens for Business

The new Bank of Kirkwood Plaza opened recently on the first floor of Kirkwood Office Tower in Mandan. The bank has four drive-up lanes.

Bank officers are James H. Kelly, president; Gerald P. Willer, vice president and cashier, and Magie A. Silbernagel, assistant cashier. Board members are Gerald W. McCoy, chairman; Mr. Kelly, president; Paul C. Wachter, secretary, Ned Nastrom, treasurer and James P. Wachter, vice president.

Mr. Kelly, a native of Chicago, has held executive positions in banks in Colorado, Dickinson and Bismarck. Mr. Willer began his banking career in 1967 in Dickinson. He has held executive positions in a bank in Missoula, Mont.

Ms. Silbernagel started her banking career with the Bank of America, Los Angeles. Since then she has been associated with banks in Rhame and Bowman and the First National Bank and Trust Co., Bismarck.

Merchants Nat'l, Fargo, Holds Open House

Merchants National Bank and Trust Co. of Fargo recently held an open house to show the extensive remodeling of its main lobby.

The lobby refurbishing was the final step in a year-long remodeling program which included installation of six new drive-in stations and the launching of 24-hour banking in a building constructed in the bank's parking lot.

Al K. Simpson is the bank's president.

Fargo National Bank Promotes 5 Officers

Mike Kitzman and Jack Lavin recently were promoted to vice presidents of the Fargo National Bank and Trust Company. Other promotions included James E. Hanson, assistant manager of the data pro-

cessing department; David L. Redmann, assistant auditor and Richard Gast, trust officer.

Mr. Kitzman, who joined the bank in 1966, has been assistant vice president for the past year. He originally was with the savings department, transferring to installment loans in 1967. In 1971 he was promoted to assistant cashier.

Mr. Lavin joined the bank in June of 1974 after eight years with the Comptroller of the Currency. He has been assistant vice president.

Security State, Hunter, Changes Ownership

Ownership and management of the Security State Bank of Hunter have been changed. Officers are Curtis J. Haarsager, president; Robert C. Lauf, vice president; Alfred H. Martin, cashier and manager of the Galesburg station, and Bernice Peihl, assistant cashier.

New directors elected include Robert C. Lauf, Prudential Insurance Co., Fargo; James R. Dawson, Dawson Insurance Co., Fargo; W. O. Brown, president, Security State Bank, Hannaford; and Messrs. Martin and Haarsager.

Advisory directors elected include Robert C. Dawson, Dawson Insurance Co., Fargo, and D. V. Anderson, executive vice president, Litchville State Bank.

Mr. Haarsager formerly was with the Federal Deposit Insurance Corp. as an examiner stationed in both Fargo and Brainerd, Minn. Prior to that he had been with the First National Bank & Trust Co., Fargo.

Mr. Martin was assistant cashier and manager of the Galesburg station prior to the change of ownership.

Scandia American Bank, Stanley, Names Officers

M. T. Nelson has been named chairman and president of the Scandia American Bank of Stanley. Other officers named include W. R. Nelson,

vice president; L. A. Nelson, cashier, and Gary Nelson, R. M. Johnson and Mary Ann Wing, assistant cashiers.

Directors elected are M. T. Nelson, L. A. Nelson, W. R. Nelson, Gary Nelson and L. M. Nelson.

Richardton Bank Elects Schwartz Director

Ronald Schwartz has been elected to the board of the Farmers State Bank of Richardton, according to Francis C. Forster, bank president. Mr. Schwartz is a partner in the Draeb, Draeb and Schwartz law firm which maintains offices in Hebron and Richardton.

Controlling Interest in Goodrich Bank Sold

Controlling interest in the First State Bank of Goodrich has been sold by the Edmund A. Schauer Trust to Edwin C. Richter, Ida F. Richter and Paul A. Richter of Glen Ullin and Regent.

The board has been reorganized with Edwin C. Richter elected chairman and Paul A. Richter named president.

Named at Wahpeton

Clair W. Hudson, general manager of Lillegard's Inc., has been elected to the Wahpeton National Bank's board of directors, according to W. M. Sanger, bank president. J. R. White and Charles Coghlan recently retired from the board.

Bismarck Bank Promotes 3

Robert P. Hendrickson, president of First National Bank and Trust Company, Bismarck, has announced the following three promotions: Ella Nordby, manager of the motor bank, Second Street and Thayer Avenue; Charles E. Wittenberg, trust operations officer, and Stan Engel, installment loan officer.

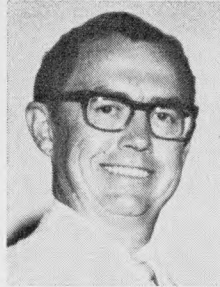
Gene Hamilton Joins Medora Bank

Gene Hamilton has joined the Farmers and Merchants Bank, Medora, as a loan officer. He has five years of banking experience having worked in the First Bank system in Cando and Langdon.

Mr. Hamilton has a degree in business administration from the University of North Dakota at Grand Forks. He is a native of North Dakota.

Colorado News

N. BERNE HART
Denver
President
Colorado Bankers Association



Jefferson B&T Sold

John A. Dahlstrom and Gilbert L. Shelton have acquired all of the stock of Jefferson Bankshares of Colorado, Inc., a bank holding company which owns over 95% of the stock of Jefferson Bank & Trust Company.

Robin Bailey, former president and chairman, has been named as special consultant to the bank. Mr. Dahlstrom, Mr. Shelton and Charles R. Canfield have been elected directors of both the bank and holding company. Mr. Dahlstrom is a practicing attorney with the firm of Parsons, Behle and Latimer in Salt Lake City, Utah. Mr. Shelton is chairman and president of Tracy-Collins Bank & Trust Company of Salt Lake City. Mr. Canfield formerly was executive vice president of Tracy-Collins Bank. He was elected chairman and president of Jefferson Bank & Trust Company.

Security State, Sterling, Celebrates 50th Year

Security State Bank of Sterling recently held a four-day nostalgic celebration of its fiftieth anniversary.

Several special events organized by the bank focused on historical themes, including everything from a multimedia presentation of Sterling and Colorado landmarks to a collection of Old West privies.

Robert E. O'Connell is president of the bank.

Colorado Springs Bank Names 3 Directors

Alan Noyes, president of East Bank of Colorado Springs, has announced the election of three new directors. They are E. Hale Adams, Jr., Douglas M. Williams and Philip A. Winslow.

Mr. Adams, vice president, joined the bank in December after serving as vice president of the correspondent bank department of The First National Bank of Denver. Mr. Williams, vice president and cashier for East Bank,

came to Colorado Springs in September of 1972 relocating from The First National Bank of Salida. Prior to that, he was a bank examiner for the Comptroller of the Currency. Mr. Winslow is president and owner of Winslow Volkswagen.

Central Bank Opens Expanded Drive-In

Central Bank and Trust Co., Denver, has opened its expanded drive-in banking facility at the corner of 14th and Lawrence Streets downtown.

The additional eight teller windows brings to 18 the number of locations to serve drive-in customers. In addition, the entrance from Lawrence has been widened to six lanes to accommodate as many as 60 cars.

Main feature of the expanded facility is a lightweight 100-by-50-foot airframe roof under which four tellers will serve eight cars from two central control booths.

Architects were W. C. Muchow and Associates of Denver. Contractor was J. R. Howell and Co., also of Denver.

Joins First of Greeley

David M. Haney has joined the First of Greeley as a commercial

loan officer, according to Robert M. Gilbert, president and chairman.

Mr. Haney comes from the First National Bank of Southglenn where he managed the real estate loan department as a mortgage loan officer. He worked in the instalment loan department/Master Charge and became loan officer in 1972.

Pueblo Bank Names Senior Vice President

James C. Davis has been promoted from vice president to the new position of senior vice president of the Republic National Bank of Pueblo.

Mr. Davis joined the bank in 1970 as an assistant cashier, advancing to cashier in 1971. He was promoted to vice president and named to the board in 1973.

First of Denver Offers Home-Study Course

Personal Financial Planning, a computerized home-study course, is now being offered exclusively by The First National Bank of Denver in a seven-state region, according to Roger D. Knight III, vice president.

The program, which allows customers to set their own pace, covers six subjects: investments, employment benefits, building a financial foundation, taxes, gifts and property ownership, trusts and wills and plans and prospects.

Each lesson is mailed. It contains a booklet, which takes about two hours to read, as well as a quiz testing the customer's knowledge. The answers are critiqued by a computer, then mailed to the customer with the next lesson.

Record Set at Central Bank's Drive-In



DENVER'S Mayor, **Bill McNichols** (left) and Bronco Coach **John Ralston** (center) were special guests at the official dedication of Central Bank and Trust Co. newly expanded 18-station drive-in facility banking area recently. They were passengers in the two-millionth car to be served by the facility driven by **Max G. Brooks**, bank chmn.

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Northwestern Banker, April 1975

Montana News

T. A. VASHUS **President** **Glendive**
J. T. CADBY **Secretary** **Helena**



Group Meetings Scheduled for May 3-10

GROUP MEETINGS for the Montana Bankers Association will be conducted May 3 to 10, according to a schedule released by the MBA last month.

"The Flying Circus," made up of association officials, correspondent bankers and service representatives of bank-oriented firms, will travel to the meetings in a new 43-passenger bus chartered for the trip. Their bus will leave Helena on Friday, May 2, headed for the first meeting at Huntley Lodge in Big Sky on Saturday, May 3. The bus will return to Helena on Sunday, May 11.

All business meetings will start at 2 p.m. or 3 p.m.. All receptions and dinners will start at 6 p.m. There will be a dance after the dinner at each meeting except the final meeting Friday, May 10. The business program schedule is:

"State Association Report" — Tully Vashus, president, Montana Bankers Association and president, First National Bank, Glendive.

"By-Laws Revision" — Roger Ulrich, immediate past president of the MBA and president, First State Bank, Malta.

"Face of the Future — Banking 1985" — ABA film.

"Legislative Review" — John Cadby, MBA executive manager, Helena.

Speaker — Ben Havdahl, public relations manager, Conoco, Denver, Col.

"BankPac Review" — Fred Flanders, president, Bank of Montana, Helena.

The meeting schedule follows:

May 3 — Groups 6 & 7, Convention Center, Big Sky.

May 5 — Group 2, Elks Club, Sidney. (Preceded by golf tourney at Sidney Country Club.)

May 6 — Group 4, Airport Golf Club, Wolf Point. (Preceded by golf tourney at Airport Golf Club.)

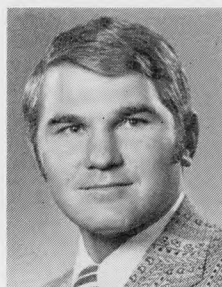
May 8 — Group 1 & 5, Heritage

Inn, Great Falls. (Preceded by golf tourney at Meadow Lark Country Club.)

May 10 — Group 3, Venture Inn, Libby. (Preceded by golf tourney at Cabinet View Golf Course.)

Security Bank, Billings, Promotes 6 Officers

Warren F. Vaughan, president of the Security Bank of Billings, has announced the promotion of six officers. Tom Scott was named vice president; Fran Snowden, securities officer; Pat Gentle, installment loan officer; Agnes Hoffman, mortgage loan officer, and Jim



T. SCOTT

Smith and Dave Jorgenson, agri-business officers, Tom Jochim, installment loan officer.

Mr. Scott spent several years at the Bank of Commerce in Sheridan, Wyo., prior to joining the Security Bank in November of 1970. He is a graduate of the University of Wyoming at Laramie.

Bancorporation Elections

Bancorporation of Montana has elected Molly A. Sanderson assistant secretary and Lois K. Tinney assistant controller, according to Charles W. Rubie, president and chief executive officer.

Billings Bank Advances 3

Al Winegardner, president of First National Bank of Billings, has announced three employee promotions.

James R. Hodgson was promoted to divisional vice president, Pat Mahoney to vice president, and Louise Cook to assistant cashier.

Mr. Hodgson's Billings banking

career began in 1962 with the Billings State Bank, which later merged with the First National Bank and Trust



J. R. HODGSON



P. MAHONEY

Company. Prior to moving to Billings he was with Northwest Bancorporation's credit department in Minneapolis.

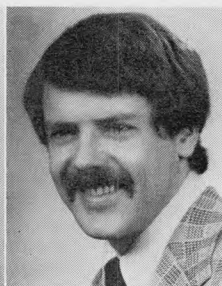
Mr. Mahoney joined First National's instalment loan department in 1956 and was instrumental in setting up the bank's computer operations system. He is past president of the American Institute of Banking.

Eastside Bank Promotes 3 in Great Falls

Bruce K. Miller, president of the Eastside Bank of Montana, Great Falls, has announced the recent



R. J. KENDALL



M. D. AAGENES

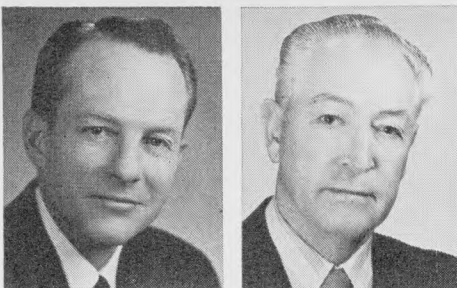
promotion of three of its employees: Russell J. Kendall to vice president and cashier, Morris D. Aagenes to assistant vice president and installment loan officer and Vincent B. Taylor to assistant cashier.

Mr. Kendall was formerly associated with Central Bank of Montana and Pondera Bank of Montana as cashier before joining Eastside in 1972 as assistant vice president and cashier. Mr. Taylor joined the bank in May of 1973 in the management trainee program. In November of 1973 he moved to the installment loan department.

Mr. Aagenes began his career as an installment loan officer with the 1st National Park Bank, Livingston, in 1967.

Wyoming News

R. W. MIRACLE **President** **Casper**
M. C. MUNDELL **Secretary** **Laramie**



Preston To Head New Rock Springs Bank

Robert V. Preston has been named executive vice president and chief executive officer of the soon-to-be-opened Bank of Wyoming, N. A., Rock Springs, according to Paul L. Howes, president of Wyoming Bancorporation, parent company of the new bank. Mr. Preston has been a banker for 13 years.

Wybanco Names Director, Officer

E. John Diedrich has been named vice president of investments for Wyoming Bancorporation (Wybanco), Cheyenne-based registered multibank holding company.

A veteran of 25 years in banking, Mr. Diedrich began his career at the Colorado National Bank in Denver in 1949. From 1951 to 1972 he was associated with Central Bank & Trust Company in Denver where he rose to vice president and manager of the investment division. In 1972 he became president, director and chief executive officer of the American Heritage Bank and Trust Company in Colorado Springs.

Wybanco also announced the election of Patrick J. Quealy as a director. Mr. Quealy is president of Quealy Services, Western Oil Refining Co., and Tip Top Finance Co. all of Kemmerer. He also is chairman of the First National Bank of Kemmerer which recently became affiliated with Wyoming Bancorporation.

Grand Opening at Burns

Grand opening was held recently at the Farmers State Bank of Burns. Dennis Wallace is the bank's president.

First National, Rawlins, Promotes Hewitt, Adams

George McIlvaine, president of the First National Bank of Rawlins, has announced the promotions of

Henry Hewitt to vice president and cashier and Robert Adams to vice president.

Mr. Hewitt has been with the bank since October of 1969 and previously served as assistant cashier and cashier. Mr. Adams joined the bank in June of 1969 and was assistant cashier and assistant vice president before becoming manager of the instalment loan department.

Jackson Hole Director

Peter B. Mead, area rancher and long-time resident, has been elected to the board of directors of The First National Bank of Jackson Hole. The announcement was made by Chadwick H. Carpenter, chairman.

Elected at Cheyenne

James L. Higday has been elected a director of the East Cheyenne Na-

tional Bank, according to Harold Walters, bank president. Mr. Higday is vice president and general manager of Cheyenne Light, Fuel and Power Company.

Chugwater Bank Elects John Baker Director

John L. Baker, area farmer, recently was elected to the board of the First National Bank of Chugwater. Mrs. LaVerne McGuire was elected assistant cashier.

Hilltop National Bank Announces Promotions

Marion D. Ellis has joined the Hilltop National Bank, Casper, as executive vice president, according to N. P. Van Maren, Jr., president. Other promotions announced include: Murray E. Hanway, operations officer; Wilson C. Durham, assistant operations officer; Judith G. Doing, auditor; and Audrey C. Oelrich, commercial loans and Janet E. Summerford, instalment loans.

Mr. Ellis comes to Hilltop from the First State Bank, Cody, Wyo., where he had been vice president and cashier. Prior to his tenure there, he was with the Federal Reserve Bank of Minneapolis where he was assistant examiner.

Wyoming Nat'l, Gillette, Holds Open House

AN OPEN house celebration was held recently in the new building of the Wyoming National Bank of Gillette, according to M. Hale Kreycik, bank president.

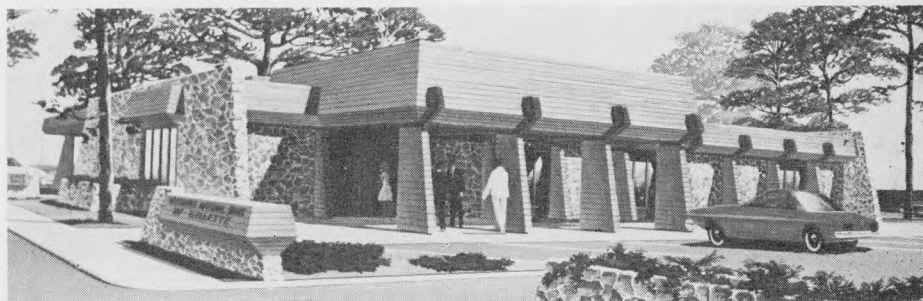
Construction on the bank's permanent quarters began last October. During this period the bank conducted business from a mobile unit situated adjacent to the new building site. The bank opened on October 18, 1974.

The new building consists of two

floors, a basement and ground level of 5,400 square feet each. The bank occupies 3,630 square feet of the main floor. There are 3,940 square feet of finished basement with the remainder to be used for future expansion.

The bank features four drive-up windows, two vaults, night depository and a community room.

General contractor was Roche Constructors, Inc., of Greeley, Colo. Architect-planners were Gorder, South & Associates of Casper and Gillette.



SHOWN is the new building for the Wyoming National Bank of Gillette.

State Bank of Green River Elects Stewart Director

Thomas L. Stewart has been elected to the board of the State Bank of Green River. He was an area resident in his youth and returned last April as senior vice president of the bank.

Mr. Stewart began his banking career with the First Security Bank in Rock Springs in 1946. He later joined the First National Bank in Denver and the Wyoming National Bank in Casper where he stayed for 21 years. From 1948-53 he was an assistant national bank examiner.

First Cheyenne State Promotes 2 Officers

Ralph L. Owen, president of First Cheyenne State Bank, has announced the promotions of Mal R. Burnside to assistant vice president in charge of lending operations and Jean Butler to cashier.

Mr. Burnside joined the bank in May of 1972 as an assistant cashier in the instalment loan department. He holds an associates degree in business administration from Laramie County Community College. Mrs. Butler, who will head the operations department, is an 11 year veteran of the banking business. Prior to joining the bank at its inception in October of 1968, she was associated with Cheyenne National Bank.

First National, Casper, Announcements

Mickey L. Asbell has joined the First National Bank of Casper as a commercial loan officer and Karl K. Pingel has been promoted to assistant trust officer, according to Henry A. Hitch, bank president.

Mr. Asbell formerly was associated with the Wyoming National Bank of Gillette. Mr. Pingel was with the First National Bank of Chicago before joining the Casper bank.

Skyline Bank Board Elects New Director

Theodore Washburne has been elected a director of the United Bank of Skyline, according to Terrence J. Ryan, president.

Mr. Washburne, now a private real estate investor, was a senior vice president of the United Bank of Denver and had been associated with that bank for 20 years.

His election enlarges the board to six members.

Idaho News

D. J. MACKAY
Idaho Falls
President
Idaho Bankers
Association



Bank of Idaho Promotions

Lonnie G. Bailey and Douglas M. Kelly have been elected senior vice presidents and regional administrators for Bank of Idaho, Boise, according to Joseph Bianco, bank president. Mr. Bailey has charge of the northern region and Mr. Kelly the southern region. Both men joined the bank in 1972.

Twin Falls Bank Elects 1975 Officers

Curtis T. Eaton, chairman and president of the Twin Falls Bank & Trust Company announced recently the election of officers for 1975 at that institution.



H. McCALLIE

Those elected to new positions included Helen McCallie as senior vice president, general credit. Mrs. McCallie was formerly a vice president and will continue in her additional duties as secretary of the corporation.

Elected as assistant vice presidents were: Al Jossis, manager of data processing; Norma Prestidge, coordinator of operations; and Helen C. Tulloch, assistant manager, Blue Lakes office.

In addition, newly appointed officers included: Lynn R. Baird, instalment loan officer; William C. Runty, collection officer; Thomas E. Steele, trust officer; and Soren Andersen, loan officer at the Blue Lakes office.

Idaho First National Elects 2 Directors

Thomas C. Frye, president of The Idaho First National Bank, Boise, has announced the election of two new directors. They are Peter T. Johnson, president of the TRUS JOIST Corporation, and Philip B. Soulen, president

of Soulen Livestock Company of Weiser.

To Head Idaho Bank Computer Office in Boise

Idaho Bank & Trust, Pocatello, recently began a computer satellite operation in Boise and named James B. (Jim) Andersen to head the department as data processing officer.

IBA Calendar

May 2-3 — Young Executive Bankers Convention, Rodeway Inn, Boise.

June 15-18 — Annual Convention, Sun Valley Lodge, Sun Valley.

Washington News

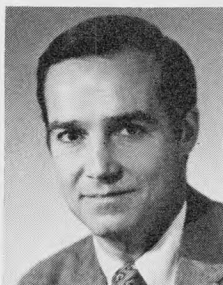
R. E. BANGERT
Seattle
President
Washington Bankers
Association



Named at Rainier Bank

John S. Hinchman has joined Rainier National Bank, Seattle, as senior vice president in charge of the national division of corporate banking.

Mr. Hinchman previously was vice president and head of the corporate finance division at First National Bank of Chicago. He also has been a partner of Blyth Eastman Dillon, and a vice president in commercial banking of The Northern Trust Company of Chicago.



J. S. HINCHMAN

Tacoma Bank Opens in New Headquarters

United Mutual Savings Bank, Tacoma, recently held a month-long open house in its new, seven-story headquarters building. The dedication ceremony of the \$1.6 million edifice was highlighted by the sealing of a time capsule containing memorabilia



United Mutual Savings Bank of Tacoma.

of the bank since its founding in 1916.

Notable attributes of the building include exterior precast concrete panels, sandblasted to achieve the surface texture, each weighing about 10 tons; landscaping of native rhododendrons and Linden trees in raised planters; and a large fountain.

The interior decor consists of rift-sawn Appalachian white oak and Belgium linen accented by brightly colored furniture. The ceilings on the main lobby levels were designed to provide an incandescent look due to the number of gray days experienced by the Pacific Northwest.

Architects Lea, Pearson & Richards, Project architect Douglas Babbit and Macdonald Building Co., all of Tacoma, collaborated in constructing the building which took 682 days to complete.

The building is headquarters for 12 branch offices and houses the main office and administrative staff.

Oregon News

ALDEN L. TOEVS
Corvallis
President
Oregon Bankers
Association



U.S. National Opens 2 New Offices

The United States National Bank of Oregon, Portland, has opened a new drive-in branch at 11543 S. W. Pacific Highway in Tigard, and an

office at 20 Division Avenue in Eugene.

First of Oregon Opens New Redmond Facility

First National Bank of Oregon, Portland, recently opened a new \$340,000 building for its Redmond branch.

The 4,250 square foot structure features complete banking services. The office is managed by Carl Leth, a bank employee since 1968. It replaces the existing temporary office which was opened in May of 1973.

Opens New Office

First National Bank of Oregon, Portland, recently marked the completion of its new \$750,000 Washington Square branch building with an all-day open house, according to Donald Pieters, manager.

The new two-story structure features over 13,000 square feet of floor space with 13 teller stations, safe deposit facilities, two drive-in windows, night depository and a First Day and Night Teller.

Utah News



CALVIN H. SWENSON
Lehi
President
Utah Bankers
Association

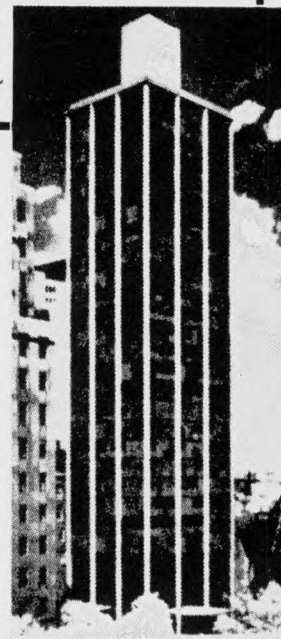
Zions 1st Nat'l Promotions

Roy W. Simmons, president of Zions First National Bank, Salt Lake City, has announced the following appointments: Ralph B. Hibler, second vice president, Master Charge department; Sharon L. Clark, assistant vice president, Master Charge; Thomas R. Atkin, assistant vice president, collection department for instalment loans; Curtis B. Kindred, second vice president and manager of dealer financing for instalment loans; Fred J. Nydegger, loan officer, and Michael D. Larson, loan and operations officer.

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- Payroll, Commercial loans, Installment loans, DDA, Savings, CD's, Mortgage Loans, and Bond Portfolio Analysis are _____ that the U.S.N.B. provides correspondent customers (2 words).
- The U.S.N.B. is a "full service" institution for _____ banks.
- The United States National Bank is in _____.
- Come in and have coffee or a _____ one at _____ the convention.
- The bank that paid for this advertisement.

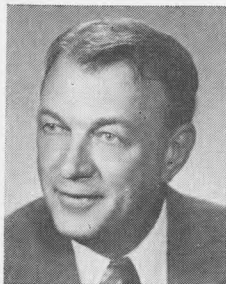
DOWN

- Daily clearing of transit items, federal and regional for the fastest availability of funds—a service of the U.S.N.B. (2 words).
- The bank credit card service available through the U.S. National Bank (2 words).
- See you at the Nebraska State Convention _____ 4, 5, & 6.
- There are nine men in the Correspondent Banking Division of the _____ in Omaha.
- Respondent Banks always can rely on the _____ for help in just about anything.
- Purchase of Excess Funds, Transfer of Funds, Bank Stock Loans, Certificates of Participation, Currency and Coin, tickets to football, baseball, shows, etc., are some of the _____ the U.S. National Bank provides (2 words).
- Estate Planning, Safekeeping, Pension and Profit Sharing Plans, and Investment Counseling are _____ the U.S. National Bank provides (2 words).

78TH ANNUAL CONVENTION

Nebraska Bankers Association

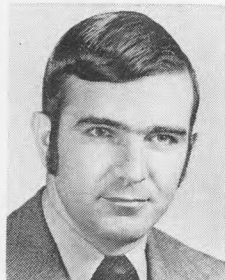
Omaha Hilton Hotel
May 4, 5, 6, 1975



R. E. ADKINS
President



R. E. BURKLEY
Vice President



R. E. HARRIS
Executive Manager

A MAJOR look at the nation's energy requirements and consideration of important changes in articles and by-laws of the NBA will highlight the 78th annual convention of the Nebraska Bankers Association in Omaha next month. The meeting will be held May 4-6 at the Omaha Hilton hotel. Presiding at all sessions will be NBA President Richard E. Adkins, president of the Osmond State Bank. Vice president the past year has been Robert E. Burkley, chairman and president, First National, Fairbury. Robert E. Harris is executive manager.

Featured on the energy program will be Yousef Alireza, a Saudi Arabian oil executive, who will fly in from that nation for the convention; Dr. Samuel J. Tuthill, energy spokesman for the Midwest Governors Conference, and Frank Ikard, president of the American Petroleum Institute.

One of the important by-law changes to be discussed is in the election process. The nominating committee would continue to be made up of a member of each of the present six NBA groups, but would also have the

three living immediate past presidents. This committee would meet at least 30 days prior to the annual convention and make its nominations known to the membership at least 10 days prior to the convention. Nominations still could be made from the floor. The vice president also would be designated as President-Elect, thus each year a new vice president only would be elected. The fiscal year would be changed from October 1 to May 1, and all committeemen would have terms of two years, with half appointed each year by the president. Another major change would expand the executive council from two Omaha representatives to four, with at least two from banks of \$200 million assets or less to assure suburban bank representation. Also, Lincoln membership on the council would expand from two to three, with at least one from a bank with assets of \$200 million or less. The meeting of Monday afternoon, May 5, will be devoted entirely to these changes, elections and other business. Any by-law and article changes on elections would not be effective until the following convention.

CONVENTION PROGRAM

Sunday, May 4

- P. M.**
Noon Registration—Mezzanine (until 6:00 p.m.).
2:00 Executive Council meeting.
6:30 Executive Council, Past Presidents' Dinner.

Monday, May 5

- A. M.**
7:30 Breakfast—NBA County Representatives.
7:30 Breakfast—Wisconsin Graduate School of Banking and Colorado School of Banking. Present and past students.
8:00 Registration—Mezzanine.
9:00 Business Session. Presiding—Richard E. Adkins, president, Nebraska Bankers Association; president, Osmond State Bank. Welcome—Omaha Mayor Ed Zorinsky.
9:30 Dr. Samuel J. Tuthill, chairman, Task Force on Midwest Energy Requirements and Environmental Protection, Midwest Governors Conference; head of Iowa State Geological Survey, University of Iowa, Iowa City.
10:15 Coffee Break.
10:45 Address—Yousef Alireza, manager, project evaluation, Petromin (General Petroleum & Mineral Organization), Riyadh, Saudi Arabia.
11:15 Report—William Riley, director of banking, State of Nebraska, Lincoln.

Legislative Report—Sen. J. R. Murphy, chairman, Banking, Commerce and Insurance Committee, Nebraska Legislature.

- 12:00 Luncheon—Main Ballroom.
Address—Frank Ikard, president, American Petroleum Institute.

- P. M.**
2:00 Business Meeting. Discussion of proposed changes in by-laws and articles; election of officers.
4:30 Hospitality suites open following conclusion of business session.
6:30 Banquet—President Adkins presiding. Entertainment and dinner music by Omaha Symphony.

Tuesday, May 6

- A. M.**
7:30 Delegates' Breakfast.
9:00 Speaker to be announced.
9:30 Address—Gerald M. Lowrie, executive director, ABA government relations division.
10:15 Coffee Break.
10:45 Address—Frank Blair of NBC "Today" show.
11:15 Address—The Hon. George Nigh, Lt. Gov. of Oklahoma.

You Will See Them at the 78th Annual Nebraska Bankers Association Convention

THE following metropolitan bankers, investment men and service equipment dealers have indicated they will be attending the 78th annual Nebraska Bankers Association Convention in Omaha, May 4-6.

Chicago

American National Bank & Trust Company: Michael J. Byrne, correspondent officer, and Warner B. Frohman, agricultural officer.

Continental Bank: George L. Schueppert, vice president, and William D. Michael, correspondent bank officer.

First National Bank: R. Garth Dunn, Jr., vice president, and John W. Ballentine, loan officer.

The Northern Trust Company: Frederick C. Pullman, vice president; Philip J. Carlson and Orrin A. Wilson, second vice presidents.

Denver

Central Bank & Trust Co: Don Echtermeyer, vice president; Bill Tumelty, correspondent bank officer.

Colorado National Bank: William J. Fleming, vice president.

First National Bank: Jerome B. Woods, vice president; Jack G. Haselbush, assistant correspondent banking officer.

United Bank of Denver: Don Petring, correspondent bank officer.

Kansas City

Commerce Bank of Kansas City: P. V. Miller, Jr., president; Fred N. Coulson Jr., senior vice president; Tom C. Cannon and Edwin B. Lewis, vice presidents.

First National Bank: William Dexter, senior vice president.

United Missouri Bank of Kansas City: Don V. Thomason, senior vice president, and John House, assistant vice president.

Lincoln

First National Lincoln: Burnam Yates, chairman; William C. Smith, president; Jack Moors and Walter Nolte, executive vice presidents; David Patrick and Robert Northrop, senior vice presidents; Chas. Leffler, Eames Irvin, Duane Schainost, James Bullock and Dale Young, vice presidents.

National Bank of Commerce: Glenn Yaussi, chairman, and Jim Stuart, vice chairman, NBC Co., Bank officers — Paul J. Amen, chairman; J. D. Schiermeyer, president; James F. Nissen, Herman A. Brockmeier and Ross Hecht, executive vice presidents; Wilbur H. Baack, Robert L. Hans and Robert S. Hinds, senior vice presidents; Jack Julian, Richard D. Wible, Dale L. Blanchard, Richard J. Stehly, Michael T. Higgins, vice presidents; Duane L. Nelson, Richard P. Nelson, Jim Norris, Ray Weilage, assistant vice presidents; Ronald D. Peterson, international banking officer; Walt Yetter,

marketing officer; Scott Sipherd, marketing department.

New York

Bank of New York: John Hunter, assistant vice president.

Chase Manhattan Bank: J. J. LaRusso, second vice president.

First National City Bank: Frank J. Utting, vice president, and John J. Fauth, account officer.

Manufacturers Hanover Trust Company: David S. Tackett, vice president, and Earl H. Lundin, Jr., assistant vice president.

St. Joseph

First National Bank: Benton O'Neal, senior vice president, and Earl N. Haldeman, III, assistant vice president.

First Stock Yards Bank: John E. Karn, executive vice president; Philip R. Miller, vice president.

Sioux City

First National Bank: Chas. H. Walcott, executive vice president; Gary W. Stevenson, vice president, and Douglas L. Van Meeteren, correspondent bank officer.

Northwestern National Bank: Jerry Just, vice president, and John Thomson, marketing officer.

Security National Bank: Thomas C. Horn, executive vice president; R. E. Hagen, vice president, and Jim Hong-slo, correspondent bank officer.

Toy National Bank: Rich A. Breyfogle, vice president, and Leo Stavas, assistant vice president.

San Francisco

Bank of America: James L. Peters.

Bank Equipment and Other Firms

Bank Building Corporation: Douglas Carr, consultant services manager, central division.

First Mid America, Inc.: Lawrence A. Carlson, senior vice president; Gary W. Fenster, John J. Frenking, Merrill R. Johnson, David C. Kuehl, Edwin G. Milder, Michael L. Scherr, Eldridge B. Scurr and Raymond E. Sharpe.

Robert E. Schweser Company, Inc.: William March, president; Frank E. Williams, executive vice president, and Robert E. Roh, vice president.

NYTCO Services, Inc.: Mike Meyer, vice president; Chuck Distler and Steve Mashek, all of Omaha office.

Joins Nebraska State, Ord

Greg Stine has joined the Nebraska State Bank of Ord as vice president and trust officer.

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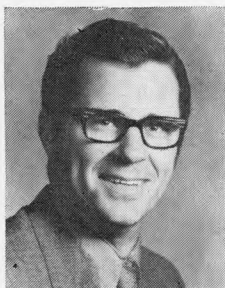
FIRST NATIONAL LINCOLN

Box 81008 • Lincoln, NE 68501

Nebraska Group Presidents Report on Area Farm and Financial Conditions

W. W. COOK, JR.
President

Beatrice National Bank & Trust Co.



**President
Group 1**

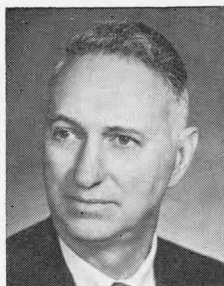
IT appears as though the 1975 year will be most critical for the Group I area. The area encompassing Group I banks caught the brunt of the 1974 drought. Most of the farmers in the area were able to harvest at least a partial crop; and, with the prices being rather high at the time of harvest many of the farmers came out better cash-wise than they had anticipated.

Our farm customers are now approaching the 1975 row crop season with mixed emotions. With the increased prices on feed, fertilizer and fuel, a substantial investment will be necessary to plant the spring crops. If this area were to have another dry season in 1975, there would be a number of farmers who would have a hard time. As mentioned above, most of them could not stand another drought in 1975. Expansion of irrigation systems in the area will be of some help.

Farm customers in the Group I area taking the hardest brunt of 1974 farm prices were our cattle feeders. Many feeders sustained large losses and have

been helped somewhat by the government insured loan program and the disaster loans. There are fewer cattle on feed in our area and feeders are quite apprehensive on putting replacement cattle in their feed yards. This year will continue to be a most difficult time for the cattle feeders. A brighter outlook appears to be in store for the hog feeders. Prices are good on the finished animal, but, of course, feed prices are high which reduces the total profit for the hog feeder.

H. KEITH NEWTON
Executive Vice President
The Albion National Bank



**President
Group 2**

GROUP 2 is a very diversified area. It has industrial, commercial and agricultural areas. All are not without some degree of difficulty. It is fortunate that Group 2 is not heavily industrialized or commercialized but the present recession as such will have its effect. Unemployment as yet is not as serious as in the larger metropolitan areas but

I feel that the over-all economic picture in the Group I area compares more favorably than other areas. Agricultural production is still the backbone of the area but the manufacturing plants in the small communities take up some of the slack that could be lost in farming operations. Recent press releases indicate growing unemployment in the larger cities included in the group but these unemployment figures are still much below the national average.

In summary, it would appear that this area can anticipate an average year economically if spring rains are sufficient and if our manufacturing companies continue to produce at near full capacity.

a slow down in production is noted.

1975 does not appear to be a banner year for agriculture in general. High costs of seed, fertilizer, chemicals and fuel will again put the squeeze on the farmer. The grain farmer had a banner year in 1974 if he marketed his crop at the peak. 1975 price will be somewhat lower. The dryland farmer in many cases cannot survive another dry year. The irrigator will make it if he avoids a disaster such as hail or some other catastrophe.

Cattle feeding is down in our area, many feeders depending on dryland crops are not feeding because they can not see a profit at the present market situation.

Our subsoil moisture has been depleted and dryland farmers are being cautious about crop expenses for 1975. Poor crops in 1975 will tax their credit ability to hang on for another year. Lower cattle prices have aggravated their plight. The only bright outlook is hog production. Feeders are selling for dollar a pound and are the only ones that are making money at the present time. Hog production may be overdone, as bred gilts are selling as high or higher than bred cows.

It will be difficult in 1975 for banking to show a profit. This is especially true for small banks that are paying interest on 62 to 65% of their deposits and with loan volume dropping. Bankers may have to look for higher income loans such as installment loans on machinery and leasing of farm machinery and pivot irrigation systems.

1975 is not a year for great optimism.

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We'll see you there!

NBA and IOWA GROUP MEETINGS

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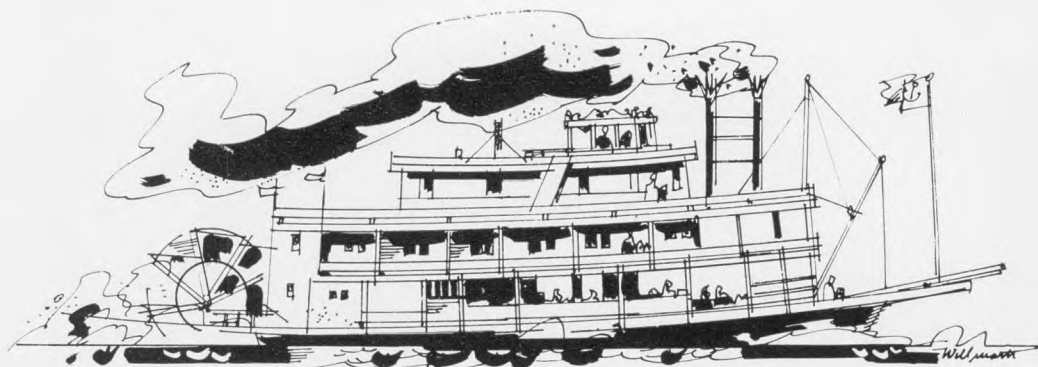


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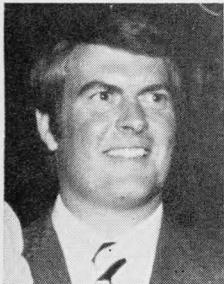
National Bank of Commerce

First State Bank, Enders, Remodels, Expands



THIS one-story building for the 1st State Bank in Enders was recently opened. The 2,400 sq. ft. building was partially remodeled and about 800 sq. ft. were added including 3 offices, storage room and restroom. On the exterior, brick & granite were used to match the existing front. Bank Building Corporation, St. Louis, was the consultant and construction manager for the project, and **Wiburn C. McCormick** was the architect.

CHARLES E. FROELICH
 Assistant Vice President
 First National Bank,
 O'Neill



**President
 Group 3**

the banking industry. Banks should have an opportunity to rebuild much of the liquidity that was reduced in 1974.

Continued high interest rates and less severe loan demand should precipitate this and increase bank earnings. We all realize that loan losses in the cattle industry, especially the feeding program, will affect our economic growth, but we should expect an off-set with the increased productivity of commercial feed in our area.

Actual costs to the agriculture community will remain high, with great emphasis on even higher fuel

and fertilizer costs. These factors coupled with low cattle prices for at least the first three quarters of this year will create higher demand for operational type loans and less for speculative borrowing.

I, therefore, feel that acute demand we had early in 1974 has diminished and should give us in the banking industry a great opportunity to strengthen individual bank balance sheets.

We will approach the fourth quarter of this year with guarded optimism for the farm and ranch segments of our economy. With inventory replacements running higher at that time, job opportunity and investment capital should increase, bringing about a stabilization in prices. For our area, a slow recovery is in sight.

RAY VAN NORMAN
 Vice President
 Minden Exchange Bank & Trust Co.



**President
 Group 4**

I BELIEVE that 1975 will be a year of overall improvement for

“THE squeeze appears to be on again — and this time the fate of the nation’s entire agricultural economy hangs in the balance.”

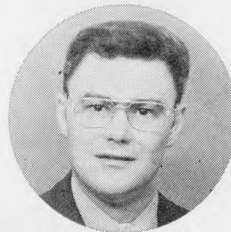
I believe the above statement summarizes the situation throughout the Nebraska Group 4 area. This area’s economy is dependent almost entirely on agriculture, and on agriculturally-related industries.

After two years of good conditions for grain farmers (especially those who irrigate and were not hit hard by the drought), present indications are that the honeymoon is over.

Farmers are faced with astronomical production costs for 1975. This fact, coupled with the mystifying, dramatic fall in grain prices, lends credence to the possibility of a major cutback in production acres for the upcoming crop year. It is a little difficult for a farmer to heed the “feed the world” call if he can not receive a break-even price for what he produces.

We all know the catastrophic condition of the beef industry. Those who have survived are looking ahead with a little more optimism than a year ago

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Jerry Just

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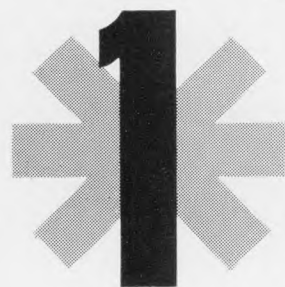


Banking has changed dramatically in the last five years, and First National has changed with the times!

Our computer services division is just one example. Experienced and competent men like Loren Larsen, Bob Schmith and Darrell Elkins will work with you to provide computerized customer accounting programs and a record maintenance system to meet your bank's needs.

To keep you ahead, we're continually investigating new techniques in such developing areas as automated accounting, P. O. S. (Point-of-Sale Terminals), and automated clearing houses.

Together, we'll keep pace with the times. Call Gary Stevenson or Doug Van Meeteren, today!



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See you at the Nebraska Bankers Convention!

GARY STEVENSON
Vice President

DOUG VAN MEETEREN
Correspondent Representative

but it will take years to recoup the losses inflicted during the past 18 months.

A decline in hog numbers throughout the farm belt points to the possibility of moderate profitability in the next few months, and the farmer who has been in the business on a continuing basis should reap the benefits this time around.

Farm land prices in the area exceeded the percentage of national upward trend during the past 12-month period. Uncertainties in the total agricultural picture will probably

cause prices to stabilize, and possibly drop off, in the next year.

Bank deposits in the area showed substantial increases in 1974. Loan demand diminished at the end of the year, but indications are that higher production costs — along with the fact that many farmers are holding grain for higher prices — will create a lot of pressure on loan-deposit ratios in the near future.

Retail sales in the Group 4 area, with inflation factors considered, showed healthy increases during 1974. Businessmen in 1975 seem to have a

cautious attitude, and are hoping to hold even on volumes while trimming operating costs wherever possible.

In summary, it is my opinion that this area is looking to our governmental center for some ray of hope. The "credibility gap" as concerns economics has reached the proportions of the Grand Canyon. The question of central concern here is: "Does the world need the food we can produce?" And, if so, "Is this food worth the price it costs to produce it?"

In the answer to these questions will be found the key to 1975, and to all years in the future, for all business — farming, retail and industry — in this area.

K. A. WHALEY
Executive Vice President
Farmers State Bank
Sargent



President
Group 5

"EXTREMELY Optimistic" were the words used last year to describe the agricultural and business conditions of the Group 5 area.

The same words are still pertinent over the long term. We have many resources. In one publication the years 1975-2,000 are predicted to bring more growth than the last quarter century.

For the most part Group 5 is an agricultural area. We say "livestock is the backbone of our economy" but with the development of irrigation, the production of grain and hay have become significant.

For several years prior to 1975 livestock prices have been favorable. During the same period rainfall has been fairly adequate aiding our ability to produce crops. Grain prices improved for 1973 and 1974 for those who sold their crops. Profits were up increasing cash flow. In cases, to avoid excessive income tax, capital purchases were made and future debt accepted.

When living becomes too easy over too long a period we are inclined to become lax. Our wants take pre-



Actually, our 50th year in business isn't all that different from our first 49 years. KPSP has always been dedicated to the highest standards of investment service. Our most vital concern has been the support of the business community and governmental bodies in our part of the Midwest.

So when you see us at the Nebraska Bankers Convention, we'll be the ones with the big smiles on our faces — celebrating our Golden Anniversary in business. Hope to see you there.

- Joe Soshnik
- Tad Dunham
- Ted Thull
- Glenn Johnson
- Stu Howerter
- George Easley



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edence over our needs. Our business can survive with less management and efficiency.

Now we are in a period of adjustment. With the decline in livestock and grain prices while production costs continue to rise, it doesn't take a banker to recognize profit margins are greatly curtailed. The amount of rainfall received in the next 90 days will improve or compound the existing conditions.

Most of our people in the area have equity in their operations and will continue to operate. Margins of profit are expected to be low with debt reduction difficult. Inventories of vehicles, machinery, and irrigation equipment seem to be adequate. In some cases, it appears to be a buyers market. Supplies of fertilizer and seed corn are expected to be sufficient though more costly.

When I returned from service after World War 2, my banker advised "Hold your cards close to your belly." Thirty years later I would give the same counsel. Well-planned borrowing, good management in operations and that little extra effort are always an asset.

If it takes more management, more efficiency, more effort to show a profit, let's rise to the occasion and continue to be leaders in our field.

WILLIAM S. OLSON
Executive Vice President
Nebraska State Bank
Oshkosh, Nebr.



**President
Group 6**

FARM and business conditions in the Group Six area might best be described as precarious in the spring of 1975. The cattle industry is in an absolute depression, affecting most of the banks in Group Six. The prospects for any cash crop profit in 1975 are sliding as prices fall from their record highs. Our main streets are almost a direct reflection of our

agriculture conditions, excluding a few non-agriculture industries; and the latter will certainly come under the influence of our current recession.

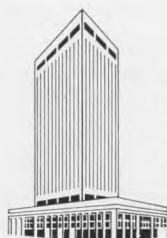
The Federal Land Bank is doing a "land office business" as it is being flooded with real estate loan applications. Insurance companies have been limited to corporations on their loans because of the Nebraska usury rate. These real estate loans could be attributed to cattle losses; capital demands beyond individual bank limits; the normal land transactions; and other isolated reasons.

It should also be mentioned that American Beef Packers, Inc., and The Great Western Sugar Company continue to owe a few million dollars in this area. The Farmers Home Administration has come to our rescue on a few marginal lines with their emergency programs plus regular loans.

In 1974, we received approximately 58% of our normal rainfall which has been followed by a dry winter. The winter wheat is holding; but without the usual spring rains, severe damage and low production will follow. That is possibly why a few of our pro-



See you at the N.B.A. Convention



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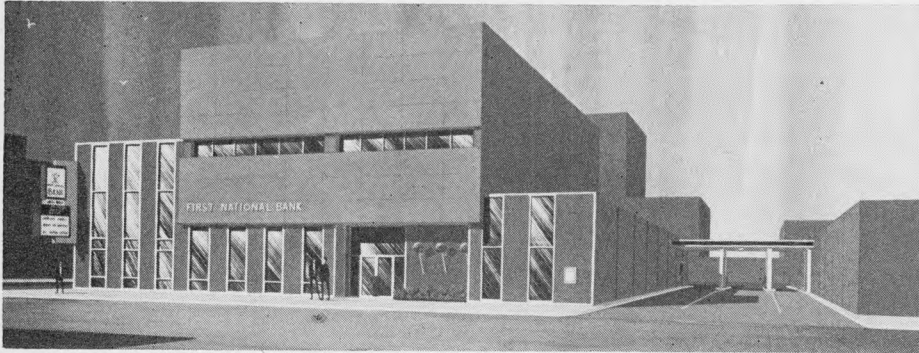
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Holdrege Bank Holds Grand Opening



NEWLY remodeled and enlarged First National Bank of Holdrege.

FIRST National Bank of Holdrege recently held a grand opening of its remodeled quarters. Because the bank needed to expand its officers' area, lobby, safe deposit vault, and drive-up facility, the bank acquired adjacent property for its remodeling project and an 1,800 square foot addition.

The existing design was extended on the exterior as well as on the interior where carpet and tellers' fixtures were reused.

Bank Building Corporation, St. Louis, was the consultant and construction manager for the remodeling and the addition. Wilburn C. McCormick was the architect.

ducers held the 1974 crop as it exceeded the \$4 price.

Our corn is primarily all irrigated. Should the corn price continue its decline below \$2.50 and with crop projection of 100 bu. average per acre, it could suddenly become non-profitable. Beans had been classified a "winner," until some of the dealers started limiting their purchases. Sugar beets, for those with the special machinery and skills, seem to be the most promising.

From about September of 1973 to

February of 1975 feeding cattle has been a nightmare. Losses have ranged from \$200 to \$30 per head. Excessive numbers led to a cattle price decrease, which triggered liquidation, which in turn has fueled the price depression. When will it recover? If it rains near the normal amount, if exports are limited, if cow numbers or total numbers are less than projected by USDA, if feed costs continue to decrease, and (possibly other factors), the feeder may start breaking even one of these days. While the

producer might have to wait until 1977 before he receives some encouragement.

It has become a most difficult period for Group Six bankers and their customers. As a bank examiner recently explained to me, "I dread the approaching year as an examiner." He was making reference to the severe cattle losses, higher costs but lower income on cash crops, and the national economy. We will have to start looking at land equity positions on many of our customers over the next year or so. If land prices do not continue to inflate, net worths will shrink.

In summary, we must be most cautious during this period of adjusting supply and demand of agriculture products, high costs of operation, and the need for new confidence in our national economy to support the consumer's food buying power. The farmer and rancher should hope for an income tax rebate law in 1974 as most of them will probably be in a negative position in 1975.

Finally, the long range picture could be excellent for Group Six farm and business conditions as the food demand will continue to increase.

And for that reason, we can and will survive this depressed period. Meanwhile, let's hope it rains one of these days.

North Platte Bank Promotes Jensen, Wilson

James Jensen has been promoted to vice president and cashier and Carroll Wilson to assistant cashier at the First National Bank and Trust Co., North Platte. Mr. Jensen is in charge of bank operations and has been with the bank for 15 years. Mr. Wilson has been with the bank for 20 years.



Bill Daly

To get the most out of your investment dollars, use common sense . . .

Call the experts!

They are always as near as your telephone — and also will be seeing you during the NBA Convention in Omaha, May 4-6.



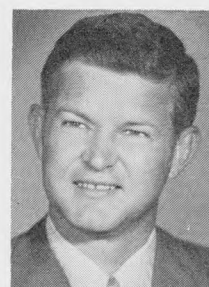
Mike Van Horne



Phil Lorenzen



Don Anderson



Roy G. Leibee



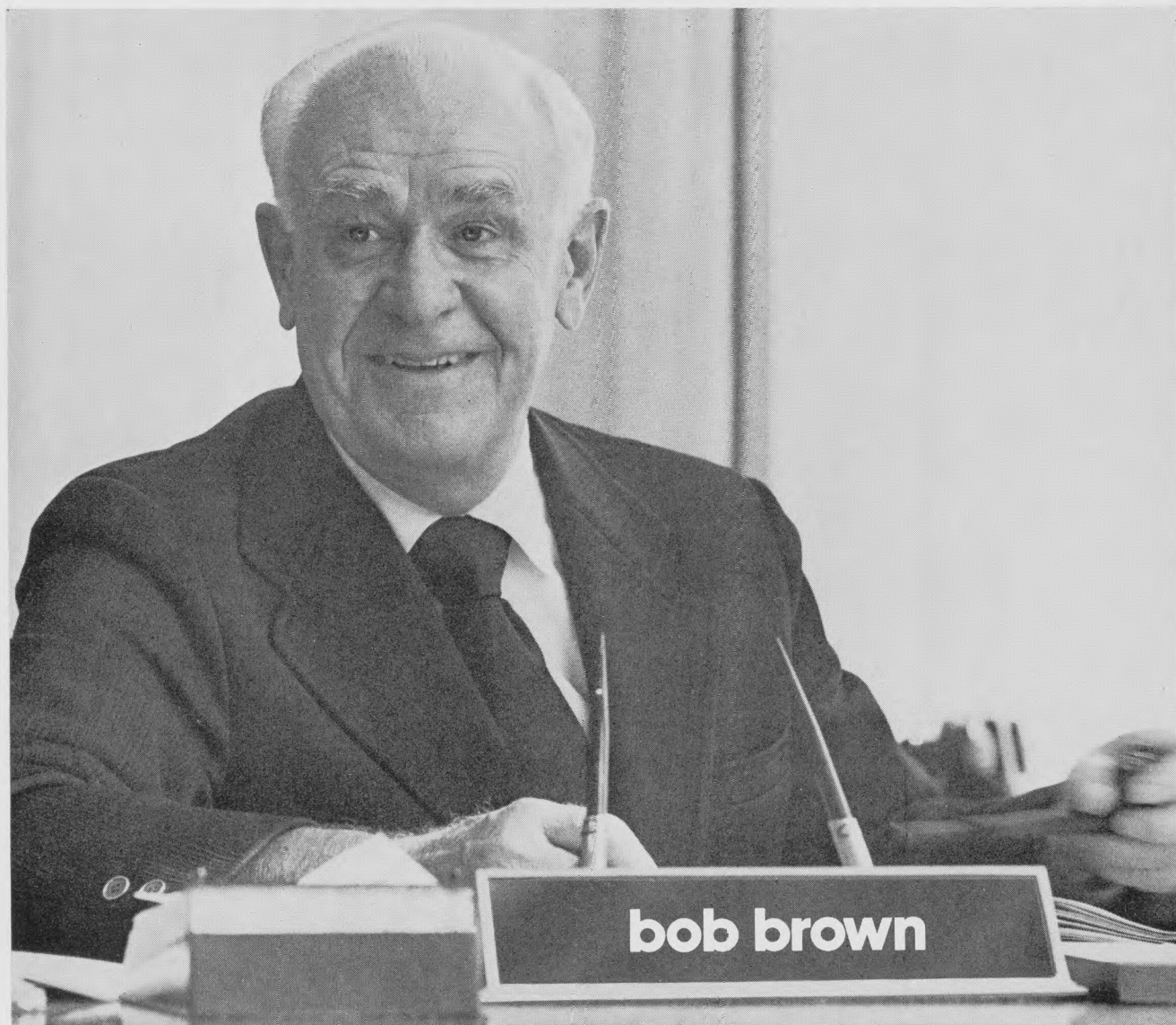
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A background of 26 years in the agricultural chemical business makes Bob Brown a real asset to our correspondent banking department.

Bob spends most of his time on the road sharing his agri-business expertise with our correspondent banks in Eastern Nebraska and Western Iowa. He believes in personal contact. It's the best way to make sure you get all the service you need.

Let Bob Brown put his knowledge to work for you. Give him a call anytime. Toll free.

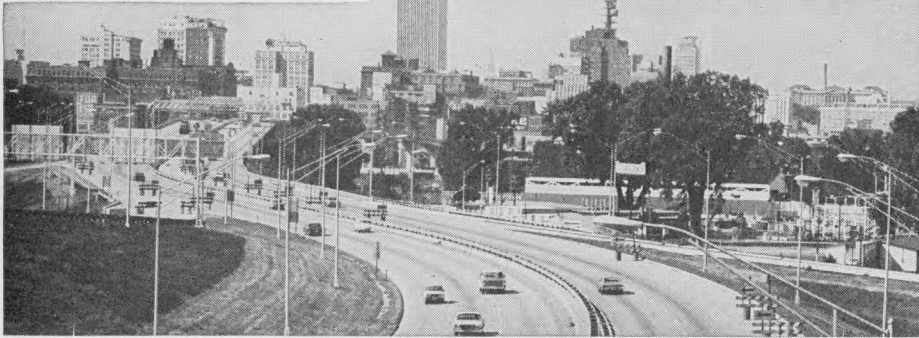


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Omaha News



THE American National Bank recently held the grand opening of its newest facility at 90th and Maple Streets beginning with a green ribbon-cutting (composed of \$5 bills), according to **John M. Shonsey**, board chairman.

The opening marked the beginning of the use of the bank's new name. Since December of 1964, the American National Bank had been known as the West Omaha National Bank.

* * *

Frank O. Starr has resigned as president and director of Omaha National



F. O. STARR

Denver, Colo.

Corp. and as president and chief executive officer of The Omaha National Bank. The 51-year old executive will become chairman, president and chief executive officer of Jefferson Bank and Trust in

Morris F. Miller, chairman of the holding company and the bank, will assume duties of acting chief executive officer of the bank until a special committee of directors presents its recommendations for a successor "in the near future," a spokesman stated.

Mr. Starr joined the bank in May, 1969, moving from a bank in Detroit, Mich.

* * *

Cliff R. Rahel has announced the reorganization of Rahel, Knack and Company under the new name of First Omaha Securities Corp.

Mr. Rahel is president of the firm. Other officers are **Robert Perelman**, vice president; **J. Joe Ricketts**, secretary, and **Ernest Field**, treasurer.

Mr. Rahel said Mr. Perelman and Mr. Ricketts, both formerly account executives in Omaha with large New York Stock Exchange firms, have recently joined the new company. The new firm has increased capitalization and all officers are full working partners.

First Omaha Securities Corp. is

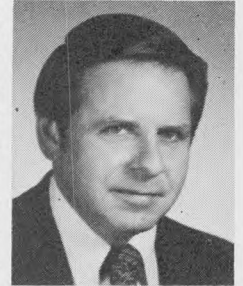
believed to be the first Nebraska investment firm to operate under the new reduced commission basis recently implemented within the securities industry. Mr. Rahel said they have been reduced between 30% and 50%.

The company will continue at the former address, 1611 Farnam Street, and retain the same phone number, 345-7000.

* * *

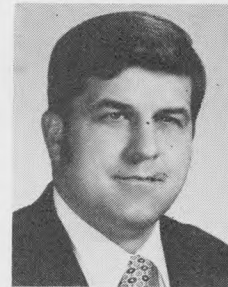
James A. Irving, chairman and president of The First West Side Bank,

has announced the promotions of **Ronald Hale** to executive vice president, **Patrick M. Conway** to senior vice president, and **Charles R. Berry** to assistant vice president and manager of the Crossroads Shopping Center facility.

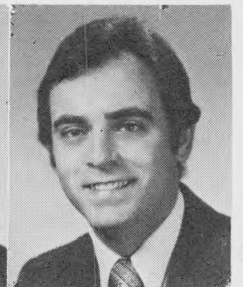


R. HALE

Mr. Hale is commercial loan and investment officer and a bank director. He joined the bank in 1965. Mr.



P. M. CONWAY



C. BERRY

Conway joined the bank in 1961 as supervisor of the bookkeeping department. He also has served as cashier and presently serves on the board. Mr. Berry is a graduate of the University of Nebraska at Omaha and joined the bank in 1973.


* * *

First Mid America, Omaha-Lincoln based investment bankers, has announced the election of **John J. Frenking** as a senior vice president.

Mr. Frenking, a 1958 graduate of Creighton University, has been associated with First Mid America in its Omaha office since 1971. He is responsible for the government bond department.

* * *

Funeral services were held recently for **Glen L. Coon**, retired purchasing




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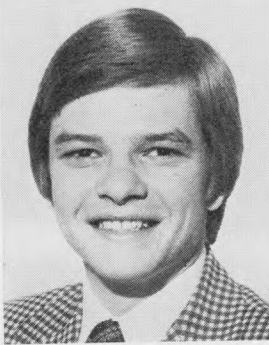
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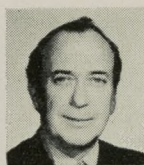
at the Nebraska Convention
 Kansas Suite, Omaha Hilton



WILLIAM MARCH
 President



FRANK E. WILLIAMS
 Executive V.P.



PATRICK H. RENSCH
 Vice President and
 Counsel



HARRY E. COE
 Vice President



C. W. POORE, JR.
 Sec.-Treas.



ROBERT E. ROH
 Vice President



JAMES E. BRADLEY
 Representative



WAYNE RASMUSS
 Operations Manager



MARY GENE TROYER
 Asst. Sec.-Treas.



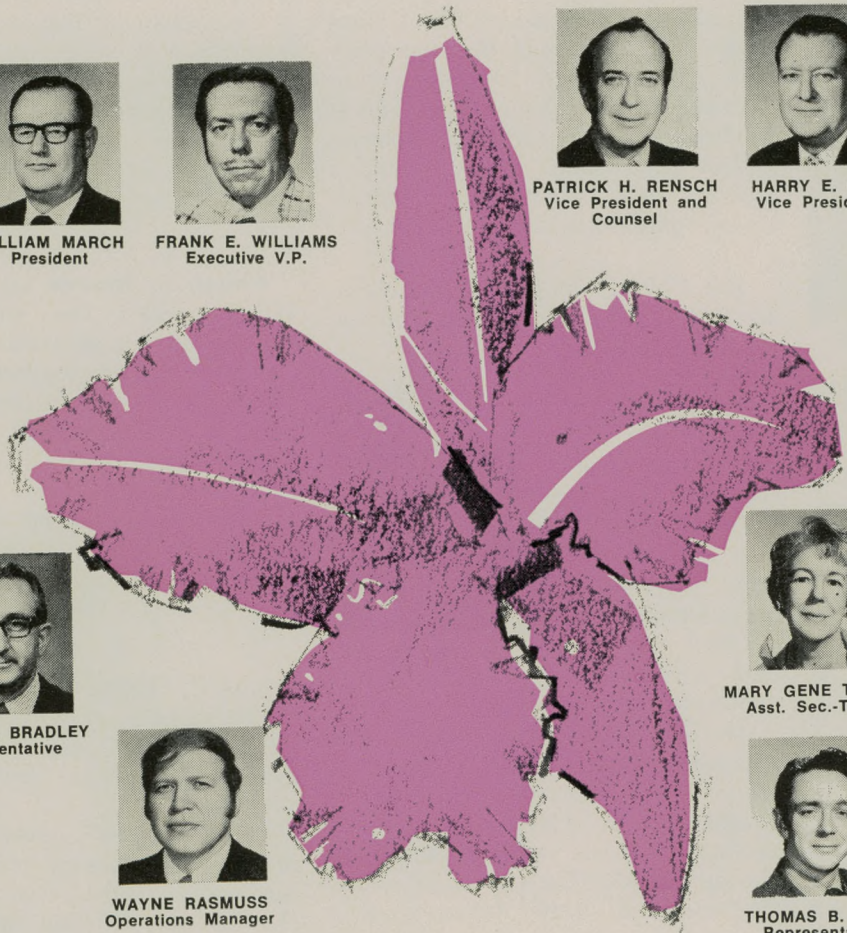
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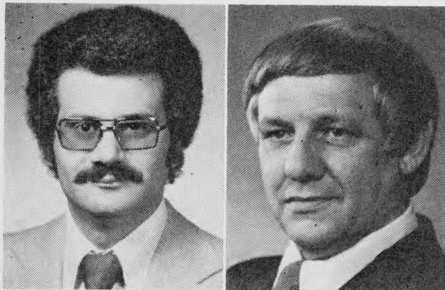
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agent at the First National Bank. Mr. Coon, 83, joined the bank in 1912 and retired in 1959.

* * *

First National Bank has announced the following promotions: **Elias J. Eliopoulos**, director; **Al C. Drouillard**, second vice president, commercial



E. ELIOPOULOS

A. DROUILLARD

accounts, and **Denny M. Dickinson**, loan officer.

Mr. Eliopoulos, who joined the bank in 1969, serves as vice president and head of the operations division. He is a native of Athens, Greece, a graduate of Creighton University, and he received his masters degree from the University of Nebraska.

Mr. Drouillard is a business development officer in the corporate accounts department. He has been with the bank since January 15, 1953.

Mr. Dickinson is in the instalment loan division and also works in the newly formed leasing department.

* * *

U. S. National Bank, Northwestern

National Bank and Center Bank sponsored The Royal Shakespeare Company's Omaha appearance March 11-16 direct from Stratford-on-Avon in England. The performances sold out.

A presentation of the University of Nebraska at Omaha, this appearance was one of only three stops in the United States by the main company of more than 50 people, considered to be the world's finest English-speaking theatrical company.

The three Banco Banks offered a special 10% discount on tickets to encourage attendance.

* * *

Hal Childs, well-known in Nebraska and Iowa investment circles, has elected to take semi-retirement from Chiles, Heider & Co., Inc., Omaha investment firm. He will continue to represent the company with bankers on a limited basis at bank meetings and other bank functions.



H. CHILDS

He is a native of Lenox, Ia., where his father, **Fred Childs** was president of the First National Bank. Prior to World War II, Hal Childs was associated with his father in the State Savings Bank at Carson and served as its president for a short time.

Upon returning from service, Mr. Childs joined an Omaha bond firm. He resigned there in 1960 as vice president to join Chiles & Co. as vice president, continuing there in the same position after the firm name was changed to Chiles, Heider & Co. in June, 1970. During his 30 years in the investment business Mr. Childs established a wide friendship with bankers in upper midwest states.

He attended the University of Nebraska and was a member of the Innocents Society honorary group during his senior year.

* * *

Russell C. Browne has resigned as vice president at The Omaha National Bank to become an assistant to Comptroller of the Currency **James E. Smith**, working in the area of electronic banking. He was scheduled to join the Comptroller's office in Washington, D.C., on March 1.

Mr. Browne also will represent the Comptroller on the National Study Committee created by Congress to make a two-year review of EFT.

* * *

Leslie C. Opper

Funeral services were held recently for Leslie C. Opper, retired deputy director of the State Banking Department.

Mr. Opper, 87, served as deputy director from August 16, 1943, until January 1, 1961, when he retired. He was state banking examiner from 1920 to 1923 and served as national bank examiner for the Tenth Federal District from 1924 to 1929.

* * *

Construction Begins on Springfield State Bank

Construction has begun on a new \$275,000 office for the Springfield State Bank.

The new building, with 6,200 square feet of space, will be located on a two-acre site at Sixth and Main Streets. It will have a brick exterior with bronze glass panels. Midwest Bank Builders and Designers of Omaha is the general contractor for the project which is scheduled for completion July 1.

* * *

Howard C. Hanson

Funeral services were held recently for Howard C. Hanson, 70, president and chairman of the Blair Bank since 1929.

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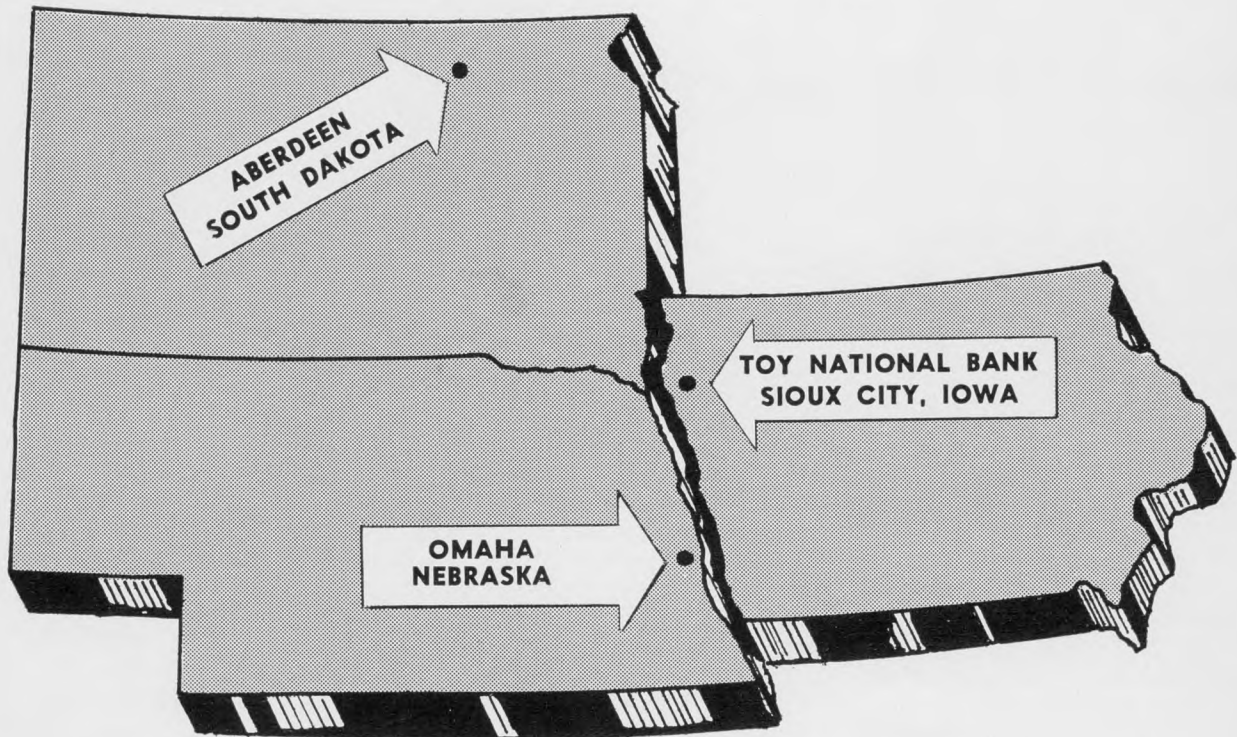
Joe Ricketts

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RICHARD Doolittle (second from left), exec. dir. of Graduate School of Banking at the University of Wisconsin, reviews with Nebraska Bankers Assn. officials the literature on the GSB's new film, "The Future in Your Hand," which had its premiere showing at the NBA Bank Management Conference. Left to right are: **Robert Burkley**, NBA v.p. and chmn. & pres. of 1st Natl., Fairbury; **Mr. Doolittle**; **Dick Adkins**, NBA pres. and pres. of Osmond State, and **Bob Harris**, NBA exec. mgr., Lincoln.

Nebraskans Take Thorough Look at EFT

By **BEN HALLER, JR.**
Editor

A CONCENTRATED look at many phases of electronic banking was provided for Nebraska bankers who attended the Nebraska Bankers Association's annual Bank Management Conference early last month in Lincoln.

The program offered the viewpoint of independent bankers, a national view of EFT from a national consultant, a practical view of TMS from its founder, and a look at the operations and legislation of NETS in its current stage.

Presiding at the one-day conference was Ted Armbruster, chairman of the NBA committee on bank management, insurance and protection. He is also president of the Nebraska State Bank & Trust, Broken Bow.

Richard Adkins, president of the NBA and president of the Osmond State Bank, quickly reviewed the Nebraska Electronic Transfer System (NETS) from its inception one year ago, stating "it is the only system permitting participation by all Nebraska banks. The difference is at the terminal in pricing and advertising, and gives equality between state and national banks. It permits banks to compete with S&Ls instead of just with each other."

Two speakers expressed diametrical-

ly opposed opinions about the urgency of developing EFT either on a state-wide or a national level. Howard Bell, executive director of the Independent Bankers Association of America, with headquarters in Sauk Centre, Minn., gave his reasons why the proposed two-year moratorium should be observed. John Dean, president of First Federal Savings & Loan, Lincoln, and developer of the TMS program, gave his reasons why EFT development should proceed as rapidly as possible. Digests of their comments were presented in the March 24 edition



HOWARD Bell, exec. dir. of the IBAA, reviews the position of independent bankers on EFT programs.

of the *NORTHWESTERN BANKER News-letter*.

William F. Grosser, president of Interfinancial Systems, Inc., Hollywood, Cal., gave a "National Overview of EFT," based on his experience gained as a consultant to projects in Wisconsin and California, as well as with the Federal Home Loan Bank Board and First Federal S&L, Lincoln.

He said EFT is gaining priority and is here to stay — "it's not going away." He gave a review of experience gained in various places that have experimented with EFT, citing volume flow and service provided, as well as competing with S&Ls who have been given pretty much of a free rein by the FHLBB to develop electronic systems.

He said "S&Ls feel they have to get into this (EFT) for survival. The big advantage still weighs in favor of commercial banks. The big advantage that S&Ls have is that they are mostly on-line. In California, for example, they are 96% on-line. Other than this, commercial banks have the better experience in all aspects of banking and service to customers.

"The crucial time is here in Nebraska — you can't stand still. If you do, you will stagnate. Don't stand for a moratorium. This merely lets competitors develop programs, train their people and take over in Nebraska, serving your customers . . . What's trying to be done is save S&Ls so they can serve their customers and their purposes . . . I urge you just to do your own thing and do it aggressively.

"Will EFT hurt small banks? Definitely no! Everyone has different views and perspectives."

He commended the NETS program, stating smaller banks were lucky to have access to it and at low cost, with service to their customers as they travel anywhere in the state. He cautioned bankers not to be fearful of sharing of the system and predicted that by 1980 they will be doing this not only with EFT but with other facets of banking.

He closed by urging bankers to do their homework, get involved, do it in unity, and build NETS with the customer in mind.

The afternoon program was devoted to several excellent presentations on film. "NETS Phase II — Where We Are" was presented by George Dish-



Yep, we'll be there...at the Nebraska State Bankers Convention, May 4-5-6 in Omaha. We've been so busy lately that it didn't look like we were going to make it, but here we come! The wagon wheels are rollin' and we're lookin' forward to meeting our fellow bankers in the state for some hob-nobbin' and a real good time.

Just look for Don, Frank and Bill. You'll recognize us — we'll be the ones in the funny hats. Giddap!

P.S. — save us some vittles!

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President

Frank Slet
Senior Vice-President

Bill Hayes
Vice-President — Marketing

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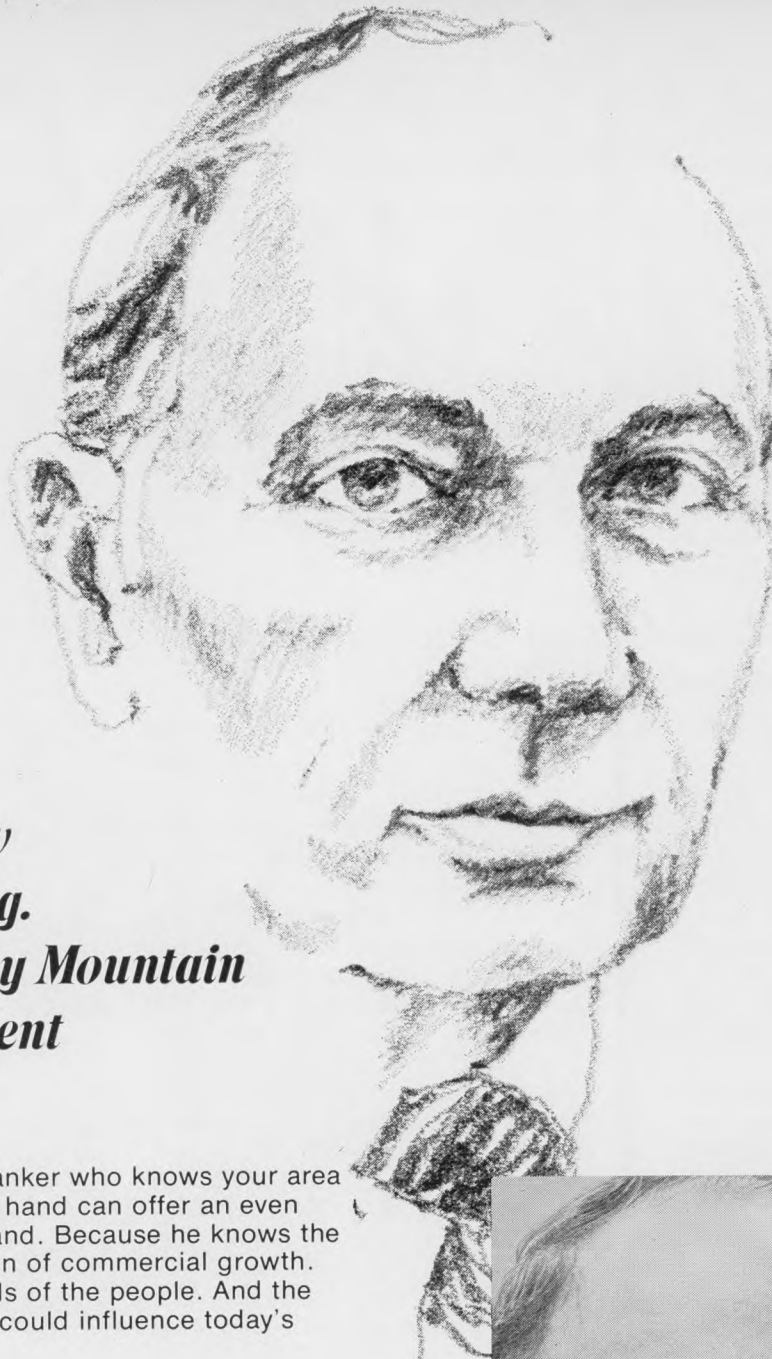
JOHN Dean (left), pres., First Federal S&L, Lincoln, explains a point to **Ted Armbruster** (standing), chmn. of the conference and pres., Nebraska State B&T, Broken Bow, and **William F. Grosser**, pres., Interfinancial Systems, Inc., Hollywood, Cal.

man, director of corporate development, First Data Resources Corp., Omaha, and William Esping, president of First Data. This firm is the one that has helped the NBA develop NETS and offers computer consultative service to financial institutions. The slide presentation went completely through NETS with a total update.

Bill Brandt, legal counsel for the NBA, reviewed bills pending at that time in the Nebraska legislature aimed at revising state laws to permit banks to operate NETS and other electronic services. An extensive question and answer period followed his brief review.

The premier showing of a new film "The Future in Your Hand" was made at this NBA meeting. It is a 27 minute color movie designed to be shown to banker or other groups, and is totally adaptable to TV showing because its 27-minute length fits TV requirements that allow for commercials in a half-hour show. The film interviews several recognized bankers and S&L personalities with extensive experience in EFT work, and details the flow of a customer's business as it is handled in various ways by EFT facilities.

The final presentations were made by Omaha and Lincoln bankers who have worked for many months on the Midwest Automated Clearing House Association located in Kansas City and serving Nebraska, Kansas and western Missouri. MACHA will soon be operational and the slide film presented key aspects of interest to banks being urged to join the system. — End



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LEFT — Jerry Nordbrock, chmn., NBA instalment credit comm. and pres., First State, Gothenburg; Vollis Summerlin, NBA inst. comm. member and 2nd v.p., 1st Natl., Omaha; Milan Hiben, v.p., American Natl., Chicago, and Dr. L. Wayne Dobson, Abbott Professor of Banking, U. of Nebraska, Lincoln. RIGHT — Larry McCormick, sr. v.p., Keith County B&T, Ogallala; Judith Page, 2nd v.p., The Omaha Natl., and James Hamill, a.v.p., McCook Natl.

Nebraska Instalment Loan Officers Told about Competitive Threats

By BEN HALLER, JR.
Editor

INSTALMENT lending personnel of Nebraska banks met in Omaha recently to hear a dozen speakers discuss topics ranging from competitive threats to basic credit policies.

Jerry Nordbrock, chairman of the committee on instalment credit for the Nebraska Bankers Association, sponsor of the event, said, "We have a whole new ball game today. One year ago we were talking about rising Fed Fund rates and the prime rates. Today, Fed Funds and prime rates are down, we have unemployment and our question is how are we going to get our instalment loan payments from people with no jobs." Mr. Nordbrock is vice president of the First State Bank, Gothenburg.

Three bankers participated in the

panel on "Competitive Threats 1975-1980." Lyle Raasch, vice president, North Side Bank, Omaha, talked about the threat of credit unions. He said they are actively soliciting and getting increased money and have been making loans extensively at the maximum 12% rate. However, credit unions offer free credit life on all loans and each customer gets a refund, presently averaging 20%, thus effectively reducing the loan rate to 9%.

George Barlow, vice president, First National Lincoln, discussed the threat of S&Ls, not only the more recent drive for deposit dollars via TMS, but S&Ls expansion into such loan areas as mobile homes and "equipping" loans.

John Burnham, vice president,

United States National Bank, Omaha, devoted his time to the threat of insurance companies making auto loans in company with the underwriting of the auto insurance coverage. "When you lose one of these customers," he stated, "you lose one of your best prospects."

Al Peithman, vice president and secretary, NBC Leasing Co., National Bank of Commerce, Lincoln, discussed "Leasing — A New Instalment Tool." He reviewed the various options available to those who need equipment of any kind — cash, getting a loan, leasing, short-term rental. "There is no way to make money by owning equipment," he said, "but by using it. In leasing, you start right out with no equipment capital." He said leasing can be used especially by a young business that's trying to grow faster than it's able. Also, he said, it's better if the cash flow permits to borrow and buy outright.

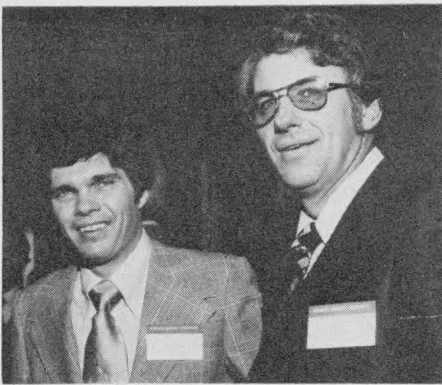
Mr. Peithman issued a caution to banks and their customers. "Make sure you're leasing and not buying. Be sure you have a document for the IRS that shows it's a true lease. Otherwise it's a conditional sale."

Two economic talks gave the audience a look at the consumer from a national and state viewpoint. Milan Hiben, vice president, American National Bank, Chicago, reviewed the national scene. He said "gloom and doom" talk has had the effect of bringing down inflation from 12% to 7%. Also, he noted, the high unemployment in Detroit shows that the unions may have priced themselves out of existence. He said we still have over 80 million people employed "and that should carry this economy."

Dr. L. Wayne Dobson, Abbott



"COMPETITIVE Threats" panelists—George Barlow, v.p., First National Lincoln; John R. Burnham, v.p., U. S. Natl., Omaha, and Lyle A. Raasch, v.p., North Side Bank, Omaha.



JERRY K. Miller, a.v.p., American Natl., Omaha (formerly West Omaha Natl.), and **Dick Beatty**, mgr., modernization credit ins. div., Central Natl. Ins. Co., Omaha.

Professor of Banking, University of Nebraska, Lincoln, gave a view of "The Consumer and the Economy of Nebraska." He sees an upswing by the fourth quarter of 1975. Dr. Dobson said the Fed is still making the same mistakes it has made repeatedly in the past 10 years. He thinks consumer confidence appears to have bottomed out, and still feels inflation is a longer term inflation threat.

"Basic Credit Policies" were scrutinized by Larry McCormick, senior vice president, Keith County Bank & Trust Co., Ogallala, and James Hamill, assistant vice president, McCook National Bank, McCook.

Judith Page, second vice president, The Omaha National Bank, reviewed "Consumer Credit for Women and the Truth in Lending Act."

The meeting was concluded by William B. Brandt, NBA general counsel, who discussed current legislation and court decision.—**End**

Bank of Papillion Opens In New Building

The new Bank of Papillion, four times larger than the former building, was opened recently with a formal ribbon-cutting ceremony and an open house.

The dark brown brick, glass and steel structure cost about \$570,000. Located at 1200 Golden Gate Drive, the new bank contains almost 12,000 square feet of space. Four drive-in lanes are in operation along with eight teller windows on the inside. Two thousand safety deposit boxes are provided with space for an additional 1,000 boxes, according to Eugene Tschida, bank president.

A highlight of the decorating is a butterfly mobile in the lobby, designed and created by Major John

Snider of Bellevue. Three other smaller butterflies join with the large unit and will rotate with movement of air currents in the building. The bank has adopted the distinctive emblem because Papillion is the French word for butterfly.

Interior decorating stresses the colors of maroon, gold and white which are Papillion school colors.

The lower level includes a Friendship Room which is available for organization meetings, an employee lounge, bookkeeping and proofroom, storage vault and restrooms.

Construction on the new building began in December of 1973.

The bank's drive-in facility on West Second Street has been remodeled to provide walk-in windows for the convenience of downtown customers.

General contractor for the project was Timmons Contracting Corp., Omaha.

Directors at Grand Island

Fred A. Bosselman and Robert W. Giesenhagen have been elected to the board to Commercial National Bank and Trust Company of Grand Island.

Mr. Bosselman is associated with Bosselman Truck Plaza, Bosselman and Eaton, Inc., B. & E. Distributing Co. and Lemke Oil Co. Mr. Giesenhagen is owner-operator of the Mid Plains Construction Co.

Farmers State, Lexington, Announces Promotions

The Farmers State Bank & Trust Company of Lexington has announced the promotions of James D. Bishop to assistant vice president and Mrs. Harold DeWall to assistant cashier.

Mr. Bishop, who joined the bank in February of 1973, had been serving as assistant cashier. He previously was associated with the National Bank of Neligh for one year. Mrs. DeWall, who has been with the bank for 10 years, previously was supervisor of the bookkeeping department.

Name Assistant Cashiers At David City Bank

Two employees of The First National Bank, David City, have been promoted to assistant cashiers. They are Mary Lou Stallings and Virginia Brockevelt.

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HOST Don Ostrand, v.p. & head of 1st Natl. of Omaha's correspondent bank div., welcomes the 1,300 guests. Two of the speakers were Robert E. Rust (left center), extension meat specialist, Iowa State University, Ames, and Bill Chapman (right center), owner of Chapman Commodities, Omaha. In photo at right are Curt Robertson, Bayard, Ia., who sold his National Grand Champion Steer "Mainliner" at the International Livestock Exposition in Chicago last fall for \$21,500; Leonard Siedhoff, exec. v.p. & cash., Farmers State, Bayard; Wagonmaster Merv Aagerter, and John Siedhoff.

New Beef Grades and Futures Market Featured at 'Chuck Wagon Roundup'

BEEF GRADING was scheduled some time ago as one of the key topics at First National Bank of Omaha's 10th Annual "Chuck Wagon Roundup," and it turned out to be most timely. After Robert E. Rust, extension meat specialist at Iowa State University, Ames, had prepared most of his talk, the USDA announced it will institute its new beef grades on April 14. Mr. Rust revised his talk accordingly and the 1,300 registered for the Roundup, a new high attendance, got a preview of the new ground rules.

He gave a thorough review of beef grades and what they mean to the livestock man and his production goals.

Following this, a practical demonstration of beef grading was given in the sale ring by two USDA grading specialists. They went through the official rules governing placement and delivery of futures contracts, and pointed out on the demonstration cattle the features they look for as plus or minus factors in judging. This demonstration was concluded with a contest among the audience to guess the combined weight of the last two critters shown in the ring. Their combined weight was 2725# and about 10 guessed the weight correctly.

After the typical man-size Roundup luncheon of barbecued beef, baked

beans and slaw, accompanied by a country western combo, the program resumed on a light note featuring Roger A. Hollrah, owner of the Midwest Auction Service at St. Charles, Mo. Better known as The Country Colonel, he entertained the audience with his country stories.

New production and marketing techniques were explored by Bill Chapman, owner of Chapman Commodities, Omaha, and a co-owner of Rufenacht, Bromagen & Hertz, Inc., a commodity clearing house in Chicago. He discussed the futures market and gave a down-to-earth presentation on why he feels hedging has assumed

a position of major importance in the livestock feeder's business.

Mr. Chapman gave an example of the farm owner who approaches his banker, presents his financial statement and obtains approval for a loan, at which point the banker will say, "What will this financial statement look like six months from now?"

This demonstrates the need for good forecasting, he said, but the last 20 months have been unmatched with their extreme highs and lows in prices paid, climbing costs of production and interest rates for cattle and grains.

"The problem now," he said "is this: 'Can the livestock feeder-grain farmer or banker shoot from the hip like their fathers did?'" Hedging is an answer, he stated, and shifts the risk to someone else.

The majority of commodity futures brokers have never seen a steer, Mr. Chapman pointed out, so they must resort to accepted measures in the market, called technical analysis, utilizing all kinds of auditing procedures, mathematics, computer and financial reports, as well as weather and demand cycles. "Our job," he said, "is to correlate and interpret this information as hedging. Hedging is the life and A&H insurance for livestock and grain men, and for their bankers. Hedging is price insurance. Hedging is a sophisticated pre-selling of your products."

Mr. Chapman said he has employed a computer analyst for the past three years, using a highly technical analysis of volume, open interest and mo-



TWO stars of the show look like they are trying to estimate the weight of the more than 1,000 bankers and livestock men up in the stands of the sale barn!



WAGONMASTER Merv Aegerter (left), v.p., 1st Natl. of Omaha, discusses some business before the Roundup with **Irvin T. Omtvedt**, who joined the U. of Nebraska recently as chmn., Animal Science dept.

mentum, created by a young German scientist who has been studying futures for about 10 years. In addition, Mr. Chapman has two meteorologists who can plot weather up to two years in advance and have plotted the demand cycles for the past 25 years on eight different commodities.

"The thing that most people forget," Mr. Chapman stated, "is that weather is the most overriding factor in any commodity market. (These two meteorologists) incorporate three different cycles in making up the demand cycles for a commodity — human behavior, seasonal economical cycles, and weather cycles."

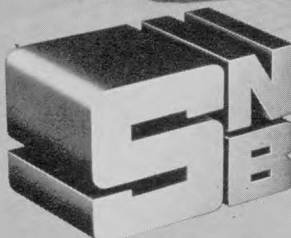
He showed how rising temperatures

in the high ranges of 90 to 100 degrees curb the appetite, but lower temperatures are invigorating, thus stimulating the appetite. Multiplying this factor by 200 million people "you can see why our market can fluctuate on a human behavior element alone." If extremely hot weather strikes, he noted, consumption of meat slows down, disrupting the normal marketing demand and creating temporary oversupply. Therefore, projection of weather cycles becomes a critical issue in futures forecasting.

Based on these analyses, Mr. Chapman then pursued the use of this data in practical forecasting situations for upcoming months. — **End**

Meet Ed, Gene, Wilma and Jim.

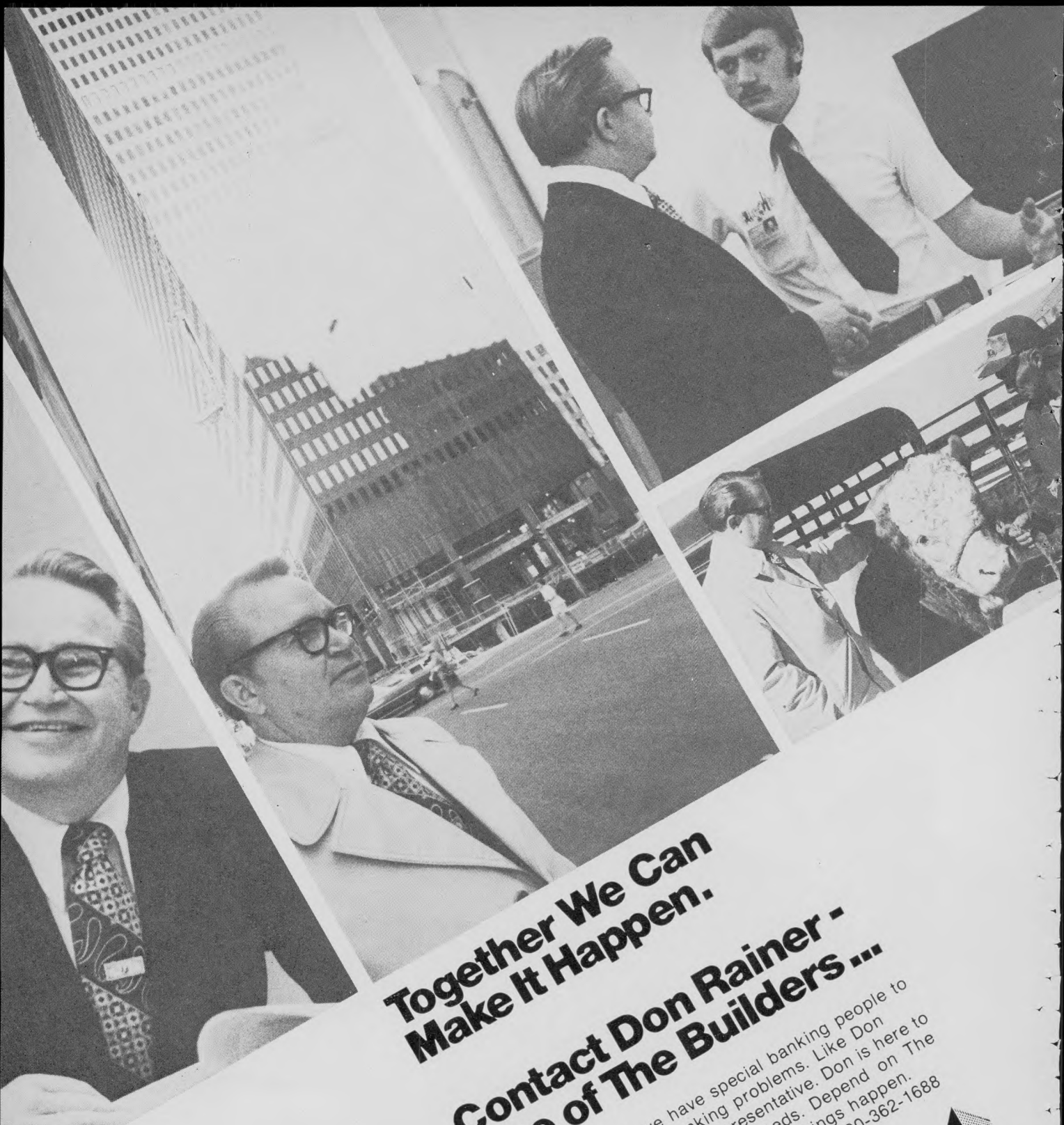
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Iowa News

J. L. CAMPBELL, JR. President Humboldt

NEIL MILNER Exec. V.P. Des Moines



Iowa ACH Joins NACHA

The Iowa Automated Clearing House Association has been organized with headquarters in Des Moines and expects to be in operation within the near future. The IACHA also joined the National Automated Clearing House Association last month, becoming the 20th member of that organization, which was established last June 20. The four charter members were the Upper Midwest Automated Clearing House Association (UMACHA) based in Minneapolis-St. Paul, California, Georgia and New England.

Further details concerning the IACHA will be announced within the near future as organizing banks furnish information to all potential participating banks in the state. Other automated clearing houses in the midwest are located in Chicago, St. Louis, Kansas City and Denver.

Joins Waterloo Bank

Janet Henryson has joined the Waterloo Savings Bank as auditor.

Miss Henryson formerly was with the Central National Bank and Trust Company of Des Moines as staff auditor-data processing. She is a 1972 graduate in industrial administration of Iowa State University, Ames.

Lost Nation Bank Holds Open House

First Trust and Savings Bank, Lost Nation, recently held an open house in its new facilities. The building features the town's first drive-in and night depository service. A concrete parking lot also is provided.

Marshalltown Bank To Remodel, Expand

Tom Smith, president of Fidelity Savings Bank of Marshalltown, recently announced a \$900,000, two-year remodeling and expansion project set to begin at the bank.

Some of the improvements will

include: remodeling the basement to accommodate the accounting department and a staff meeting room, moving the present drive-up facility, a two-story addition; consolidating all teller functions in one area; and building 11 offices. Mr. Smith said the building will be 20,000 square feet.

Altoona Banker Retires

Wayne Rowland, vice president and cashier of the Altoona State Bank, recently retired. He and his wife, Margaret, have moved to Fonda. He had been with the bank for five years.

Joins Grundy Center Bank

Doug Van Dyck has joined the Farmers Savings Bank of Grundy Center as vice president and agri-

cultural representative. He formerly was with the Union State Bank of Winterset.

Farmers Savings Bank is a member of Hawkeye Bancorporation.

United Home, Mason City, Announcements

United Home Bank & Trust Co., Mason City, has elected two new directors. They are Carl E. Woollums, president of Brakke and Woollums Implement, Inc., and J. W. Mackin, president and general manager of Mason City Builders Supply.

Also elected were Rich Davis, data processing officer, Larry Pieri, assistant operations officer and Helen Ellis, assistant operations officer. Mr. Davis joined the bank February 1, 1975, after spending 10 years with Central National Bank & Trust Co., computer center division in Des Moines. Mr. Pieri came to the bank from the Banco system.

The bank recently held a grand opening for the new financial center located at 30-1st Street S.W. This is the new headquarters for the installment loan department. It is located within the same block as the main bank and attached to the drive-in facilities.



SHOWN is the interior of the newly remodeled Security State Bank in Keokuk.

Keokuk Bank Completes Remodeling Project

Remodeling of the ground floor of Security State Bank in Keokuk has been completed, according to Richard A. Bishop, bank president.

The interior includes vinyl covered wallpaper with shades of red which blends with wall covering of hand-laid cork. One of the unique features

in the lobby, which has been doubled in size, is a gas-fed fireplace flanked by high back chairs and a sofa.

Building contractor for the project was Donald Klapprott, Quality Builders of Keokuk with decorating done by Bob Pohl of Interiors, Inc., of Burlington.

Albert F. Droll

Funeral services were held last month for Albert F. Droll, president of the Hills Bank and Trust Company. He was 71.



A. F. DROLL

Known as one of Iowa's most innovative bankers and businessmen, Mr. Droll was active in the Hills community for 53 years, joining the bank in 1921. He attended business college in Muscatine. Under his direction, the bank grew to \$30 million in total assets.

Special tribute was paid Mr. Droll by the Johnson County Farm Bureau in 1972 when it named Mr. Droll as the outstanding agri-businessman of the year. Active in community and University of Iowa affairs, he was an original member of the U of I scholarship fund. Memorial contributions are being directed to the U of I Foundation.

He is survived by his wife, two brothers and a sister.

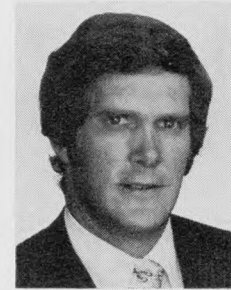
Director Named at First Nat'l, Ottumwa

First National Bank of Ottumwa has elected Jon Kneen to its board of directors. An Ottumwan since 1963,

Mr. Kneen is a co-founder of Al-Jon, Inc., and serves as company president. Affiliate companies are Al-Jon Sales, Al-Jon International Limited and Al-Jon Marketing.

Sioux City AIB Presents Customer Relations Seminar

"What do you say after you smile" is the topic of a Customer Relations Seminar being



T. VAN DYKE

ponsored by the Sioux City chapter of the American Institute of Banking for its local members, according to Thomas Van Dyke, assistant cashier of the Toy National

Bank. The seminar will be held Wednesday evening, April 30, at 7 p.m. at Epply Auditorium.

Ted Dreier of Dallas, Tex., will conduct the meeting. He specializes in customer relations' seminars and is known for his practical and entertaining approach.

Some of the topics to be covered are Developing that Person to Person Treatment, High Speed Public Relations, Assisting theirate Customer, Masks We Meet in Our Work, and Improved Communications and Developing Public Relations' goals.

Mr. Van Dyke says this seminar is open to all bankers and information may be obtained from Wayne Johnson, president of AIB, at Security National Bank in Sioux City. Cost will be \$7 per person.

Fort Dodge Bank Appoints 4 Directors

Peter Garatoni, president of the Union Trust and Savings Bank of Fort Dodge, has announced the appointment of four men to the bank's board of directors. They are Jerry A. Diamond, owner of Diamond's, Inc.; Dr. Arnold M. Oosterhuis, orthodontist; Stanford W. Griffith, architect, and Russell F. Roskens, general manager of the Kersten Clinic.

Mr. Griffith filled the vacancy created by the retirement of R. E. Kautzky. Mr. Kautzky, vice chairman, had served for 25 years, since the formation of the bank in 1949. He will continue in an advisory position as director emeritus.

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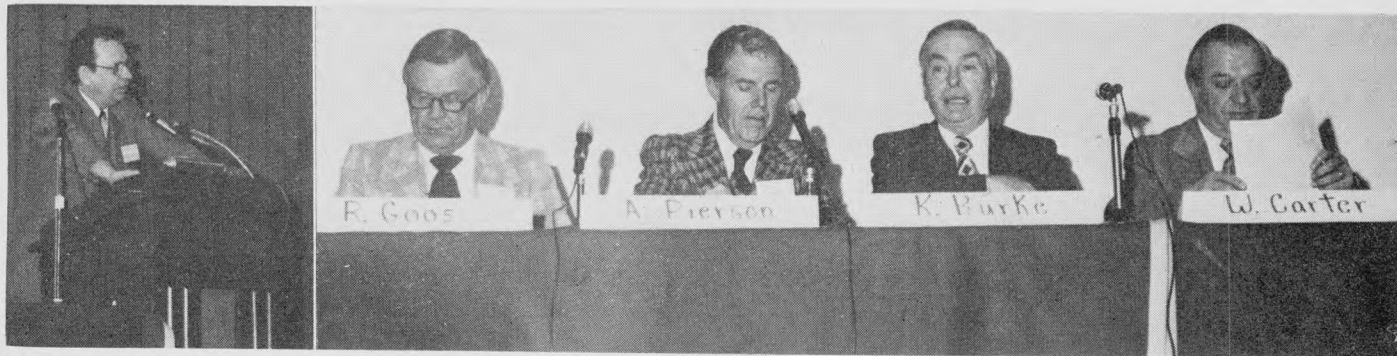
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National
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Waterloo





SOME of the speakers at the Agricultural Credit Conference included Robert Pim (left), state dir., FHA, and a panel (right) which included Richard Goos, v.p., 1st Nat'l, Council Bluffs; Arlie Pierson, v.p. & farm rep., LeMars Savings; Kenneth Burke, v.p. & sr. trust officer, Citizens 1st Nat'l, Storm Lake, and William Carter, pres., Nat'l Bank and Trust Co., Chariton.

Emergency, Disaster Loans Discussed at IBA's Agricultural Credit Conference

BANKING under adverse conditions, the economy and emergency and disaster loans were topics of discussion when Iowa bankers got together recently for the annual Agricultural Credit Conference sponsored by the agricultural committee of the Iowa Bankers Association. The meeting, which had 177 registrants, was held in the Memorial Union on the Iowa State University campus, Ames.

Extreme weather, coupled with a drop in cattle prices, has caused serious problems for Iowa farmers which, in turn, has caused problems for Iowa bankers.

"How far in debt can I go?" is a frequent question asked of bankers, according to Dr. Michael Boehlje, associate professor at Iowa State. He discussed tools for analysis in agricultural credit stressing the importance of cash flow budgets.

The final answer to the question is "How much can you repay?", he commented reminding bankers that repayment capacity comes from cash.

Cash Flow

"A cash flow analysis answers four basic questions," he said. "When is cash available? How much is available? When do cash deficits occur? How much are they?" These questions must be answered in order for the banker to match repayment capacity with the requirements of loans, he suggested.

Mr. Boehlje listed eight advantages of cash flow budgeting. It: is a budget based on a plan, identifies seasonal peaks in borrowing, determines repayment capacity, fits the payment plan to the business, develops net income

and financial structure projections, tests a plan for profit and security, is a basis for financial control and provides a communication between the borrower and lender.

Robert Pim, state director of the Farmers Home Administration (FHA), Des Moines, encouraged bankers to use the emergency livestock loan program which is a result of legislation passed in August of 1974. He outlined the provisions of the program for the bankers and then gave a summary of what the FHA accomplished in Iowa in 1974.

Some of those using the emergency FHA loan programs were the bankers who spoke in the afternoon panel titled "Banking Under Adverse Conditions," moderated by Mel Shanda, president and trust officer of Perry State Bank.

Panel

Panel members included William Carter, president, National Bank and Trust Co., Chariton; Kenneth Burke, vice president and senior trust officer, Citizens First National Bank, Storm Lake; Arlie Pierson, vice president and farm representative, LeMars Savings Bank, and Richard Goos, vice president, First National Bank, Council Bluffs.

Mr. Carter said that some of the problems in his area, where beef is the primary enterprise, are equity loss in cow herd (50% drop in value from last year) lending limits, cash loss in feeding and backgrounding, increasing cost of inputs and little or no loan reductions.

National Bank & Trust Co. is work-

ing closely with the FHA in emergency livestock loan program, he said, and is also "encouraging people to apply for FHA emergency crop loans. Other ways of coping with the problem are to encourage farm customers to obtain real estate refinancing, to ask them to borrow on life insurance policies and to insist that they take out crop insurance.

These are short term answers and will buy time, he commented. For the longer term, the bank is encouraging "more farm diversification, business analysis, increasing research especially in marketing, soil conservation and crop rotation."

Questions To Ask

The second panelist, Mr. Burke, mentioned several questions the banker should ask himself when faced by a farmer in need of another loan. "Is he willing to pledge all of his assets as collateral? Did he do well in good times? Is he willing to sacrifice? Have I, as his banker, been to his farm?"

Mr. Pierson said that he had found a limitation to cash flow analysis. "There is a tendency to be over optimistic," he commented adding that bankers must visit farms and mortgaged property, watch for unlisted debt, and discuss living priorities with the farmers.

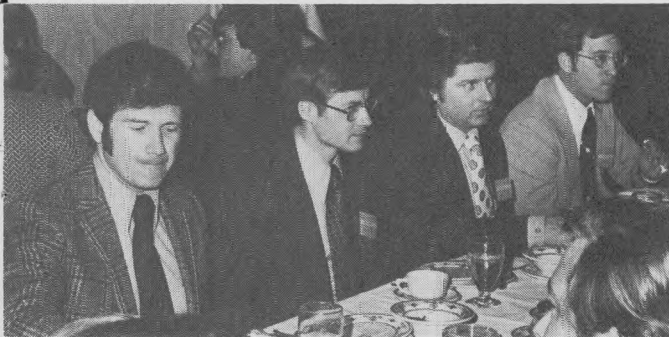
Mr. Goos said that farmers in his area had lost a tremendous number of cattle and that his bank is working with the FHA, encouraging farmers to take crop insurance and to tighten up on money procedures.

Earl Henderson, chairman of the agriculture credit conference subcommittee presided over the meeting. He also is vice president of the Union Trust & Savings Bank of Ford Dodge. Jack Campbell, president, IBA and president of the Humboldt Trust & Savings Bank, gave the welcome.

Ag Conference Photos



LEFT—Doug VanMeeteren, correspondent rep., 1st Nat'l, Sioux City; W. G. Groeneweg, a.v.p., Citizens State, Sheldon; Max Kiernan, pres., Alton Savings; Lauren Kaemingk, 1st Nat'l, Sioux Center; Edwin B. Roetman, a.v.p., American State, Sioux Center. Right—Ray A. Brown, cash., Home Trust & Savings, Osage; Rollin R. Harder, Poweshiek County Savings, Brooklyn; Richard Galloway, cash. & farm rep., Community State, Rockwell, and Roger E. Custer, a.c., 1st Nat'l, Mason City.



LEFT—Ed Flaherty, Ia. Savings, Coon Rapids; Larry W. Jensen, cash., Iowa Savings, Coon Rapids; Bill Campidilli, ag. loan officer, Perry State, and Ed Kenney, mgr., Jamaica office, Perry State. Right—George Milligan, v.p., Iowa-Des Moines Nat'l; Mel Hackenmiller, cash., Stacyville Savings; Mark Christen, a.c., Merchants Nat'l, Cedar Rapids, and Donald Moore, dir., Security Bank & Trust, Decorah.



LEFT—J. Joe Wright, v.p. & farm mgr., Central State, Muscatine, and Harold E. Marsh, v.p. & farm rep., Second Nat'l, Eldora. Center—Robert L. Emerine, sr. v.p., 1st Nat'l, Council Bluffs, and D. F. Kuiken, v.p. & cash., Atlantic State. Right—Richard Bayless, exec. v.p., Andrew Savings; Richard Eggers, Andrew Savings, and Donald H. Henningsen, v.p., Jackson State B & T Co., Maquoketa.

Other speakers included Dr. Dennis Starleaf, professor of Iowa State; Representative Andrew Varley, assistant minority leader, House of Representatives; Bill Hess, vice president, Iowa State Savings Bank, Knoxville; Cortland Peterson, assistant to the superintendent, Iowa Banking Department, Des Moines; Everett B. Stoneberg, extension economist, Department of Economics, Iowa State; Dr. Marvin Anderson, executive director, World Food Conference; Dr. Neil E. Harl, professor of economics, Iowa State, and John Acres, humorist, world traveler and lecturer.

Union Bank, Ottumwa, Announces Changes

Lyle A. Hellyer and Don Otis have been elected to the board of directors of Union Bank and Trust Company of Ottumwa. Mr. Hellyer is president of Indian Hills Community College and Mr. Otis is owner-manager of the Brown's Shoe Fit Co.

The bank also has announced the promotions of Leonard A. Davidson and Robert J. Laughrige to senior vice presidents; Gerald G. Retzlaff to vice president and Kay Bitner to assistant cashier.

Mr. Laughrige has been associated

with the bank since 1951. He has served in the instalment loan department and since 1965 has been a commercial and real estate loan officer. Mr. Davidson joined the bank in 1937 and since 1948 has been head of the instalment loan department.

Mr. Retzlaff joined the bank in 1972 and serves as the farm loan officer. He previously was assistant vice president. Ms. Bitner joined the bank in 1964 in the bookkeeping department and recently has been the supervisor of the proof and transit department. She currently works in the customer service department.

Joins Dubuque Bank As Trust Officer

William G. Kruse, president of the First National Bank of Dubuque, has announced the appointment of Brian R. Brannon as a trust officer.

Mr. Brannon formerly was a trust officer at the Iowa State Bank and Trust Company of Iowa City. He graduated with a BA degree from the University of Iowa, Iowa City, in 1966, and received his JD degree from the University of Iowa, College of Law in June of 1973.

Construction Begins on Oskaloosa Bank

Construction has begun on new facilities for the Iowa Trust and Savings Bank of Oskaloosa. The one-story structure will contain 12,000 square feet.

The new facilities will replace the present bank which will be sold and the present drive-in bank, next to the new structure, which will be torn down. A parking lot is planned for this area, according to Herb Sauter, president.

The first floor of the bank will accommodate the teller area, book-keeping space, safe deposit boxes, the vault and offices and will feature a paved brick area with the rest of the floor space carpeted. The basement will be left unfinished to allow for additional expansion of office space. Three drive-in windows are planned. Roth Associates Construction Com-

pany of Storm Lake is the main contractor for the new facility which will provide three times the area now available. Architects are McConnell-Steveley-Anderson of Cedar Rapids.

Tom Hagan & Associates Personnel Firm 5 Years Old

The fifth anniversary of Tom Hagan & Associates, Kansas City, Mo., was observed on March 9. The firm provides clerical and executive personnel service for banks in the midwest and southwest. Tom Hagan, founder and owner of the firm, said it is licensed and bonded.

While working as a bank officer in Kansas City, Mr. Hagan was personally aware of the need for a specialist in the bank personnel field and founded the firm originally as a sideline, placing clerical personnel. However, within a short time, a growing number of banks recognized the advantage of having an experienced banker assist them in screening applicants or conducting a search for candidates with particular qualifications, and the Hagan firm's growth exceeded all original expectations.

An additional service offered by the firm is Hagan's Helpers, a large crew of qualified office workers who are scheduled as needed for extra office work or as vacation helpers.

Mr. Hagan has continued to specialize in placement and recruitment of bank officer personnel, concentrating

in the upper midwest and southwest where he has built a large clientele among hundreds of banks.

Altoona State Announces Promotions, Appointments

Earl R. Freel has been promoted to president of the Altoona State Bank. Mr. Freel, formerly executive vice president, came to the bank in 1965 and was named executive vice president in January of 1970. He succeeds Clifford M. Custer who has been promoted to chairman.

The board has appointed Max Wright vice president and public relations director. He comes from the Ankeny State Bank where he has been employed for over six years most recently as assistant vice president. As announced last month in the NORTHWESTERN BANKER, the board also appointed Ray B. Nielsen as vice president and cashier. Mr. Nielsen had been assistant vice president with Bankers Trust Co. in Des Moines.

Frey Elected Cashier At Maquoketa Bank

Gene Frey has been elected cashier of the Jackson State Bank and Trust Co., Maquoketa. He has been associated with the bank for the past four years.

Other appointments made recently include the election of Boyd Hook, newly elected vice president, as an officer; Gertrude Wiersma, elected assistant operations officer, and David Thieleke, vice president, elected a trust officer.

First Nat'l, Council Bluffs, Announces New Officers

Dale Ball, chairman, and Hal Booth, president of the First National Bank of Council Bluffs, have announced the following new officers: Vern Knop, formerly assistant cashier, elected senior operations officer; Natalie Anderson, personnel officer; Janet Bohnet, Mary Carlile and Jean Christensen, operations officers, and Robert Olson, marketing officer.

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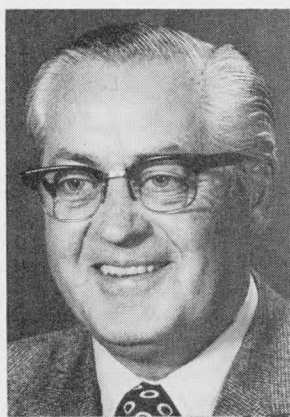
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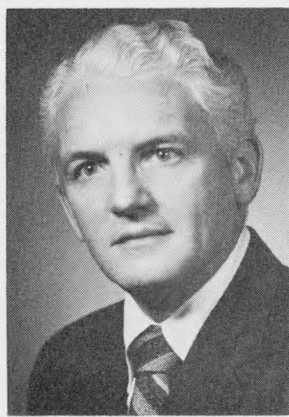
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lousy service; or worse yet, your correspondent bank fouls up your account just when you were counting on them.

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Northwestern Banker, April 1975

1975 Iowa Group Meetings

Group	Date	Place
6	May 5	Des Moines
7	May 6	Marshalltown
8	May 7	Davenport
4	May 8	Dubuque
5	May 19	Council Bluffs
2	May 20	Fort Dodge
12	May 21	Okoboji
3	May 22	Clear Lake

Joins Staff of Iowa Bankers Insurance and Services, Inc.

William D. Carr has joined the staff of Iowa Bankers Insurance and Services, Inc., according to Ed Lenaghan, executive vice president of the Des Moines-based firm. IBIS handles the various insurance programs of the Iowa Bankers Association.



W. D. CARR

Mr. Lenaghan also announced that Mr. Carr will represent IBIS with banks in the western part of the state. Jon Grindle, who has been a member of the staff for several years, will provide liaison with banks in the eastern half of the state.

Mr. Carr is a native of Jersey City, N. J., where he received his schooling, graduating from the New York

Institute of Finance with a B. S. degree in Business Administration. For the past 14 years he has been with Continental Insurance Co., New York. He was assigned to the Kansas City, Mo., office seven years ago and has been bond superintendent there the past four years. Prior to joining Continental Insurance, Mr. Carr was with Eastman Dillon Co. investment firm for two years and with U. S. Gypsum Company for seven years.

Joins Glidden Bank

R. H. Van Horn, president of the First National Bank in Glidden, has announced the addition of Don Northrup as manager of the bank's insurance agency. He previously was a special agent for Iowa Mutual Insurance Co. in Storm Lake.

Cedar Rapids Bank Promotes Two

Two promotions at the Brenton Bank and Trust Company of Cedar

Rapids have been announced by Donald C. Nebergall, bank president.

Gary L. Stohlmann has been elected assistant vice president and Jane G. Chadima has been elected marketing director.

Mr. Stohlmann has been with the bank since obtaining his Masters degree in business administration from the State University of Iowa in 1973.

Mrs. Chadima joined the bank as a teller in 1973. For the past year she has been in charge of new accounts and the bank calling program. She attended the University of Iowa.

Traer Banker Becomes CCL

William C. Talen, president, Farmers Savings Bank of Traer, recently was designated a Certified Commercial Lender (CCL) during an award ceremony at the National Credit Conference held in New York. Requirements for the CCL, which was initiated this year by the American Bankers Association, include a minimum of 15 years experience in commercial lending.

Mr. Talen was a member of the charter class of 200 bankers from throughout the country.

Basic Trust School Scheduled for July 13-18

The Iowa Trust Association, Kansas Trust Division, Missouri and Nebraska Bankers Associations, in cooperation with The University of Nebraska and the Nebraska Center for Continuing Education, will hold the Basic Trust School, July 13-18. The school is designed to provide the essentials of basic trust operations.

Employees of banks who are members of the Iowa Trust Association and trust departments of member banks of the Missouri, Kansas and Nebraska Banking Associations are eligible to attend.

Participants will register at the Nebraska Center for Continuing Education, second floor, after 3 p.m., Sunday, July 1. A dinner at 6 p.m. will be followed by a short orientation program.

Enrollment is limited to 60 students, 15 from each of the four sponsoring groups on a first-come, first-serve basis. Formal classes will meet for approximately seven hours each day for a total of five sessions with some evening programs.



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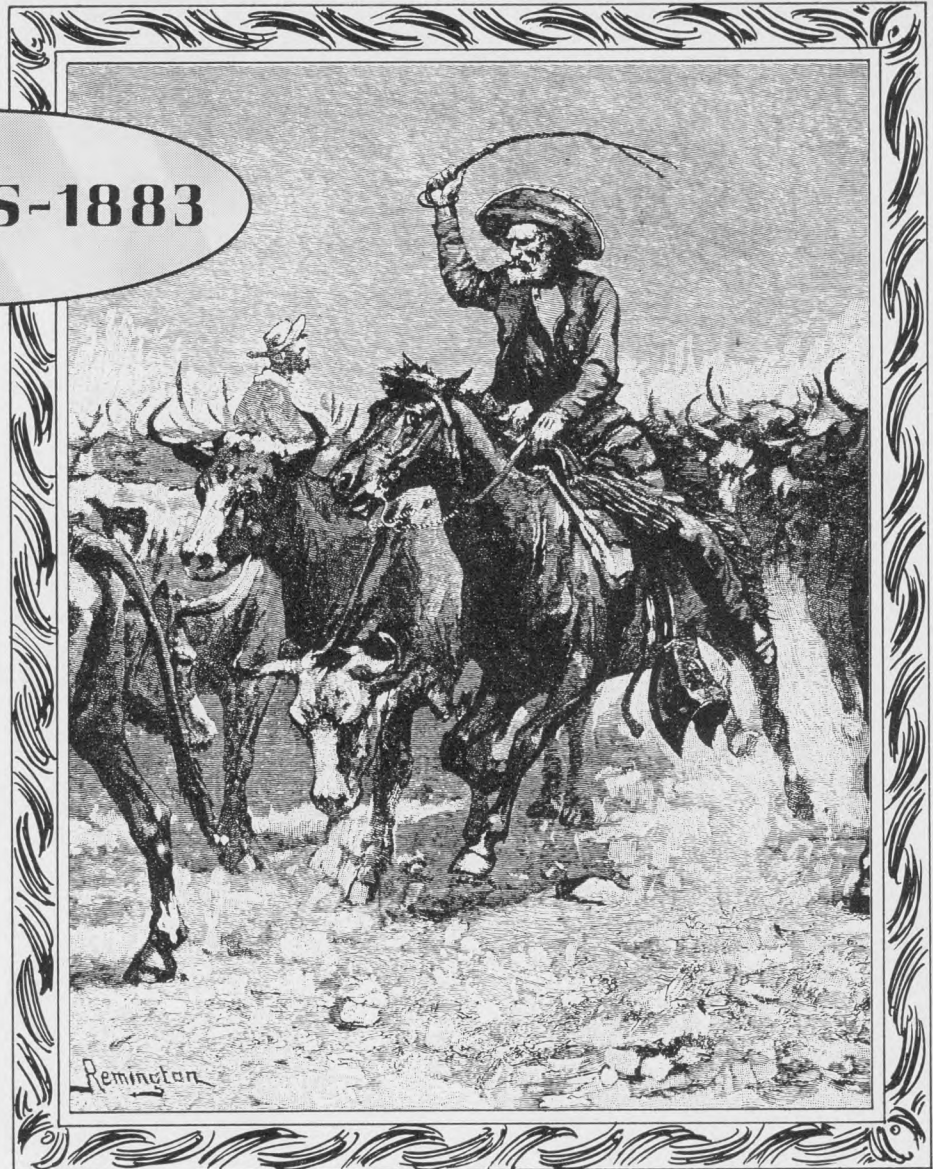


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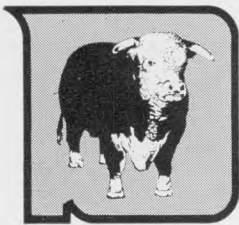
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Illustrated above is Frederic Remington's "Cutting Out A Steer." A 14 x 17-inch reproduction suitable for framing is available without cost or obligation upon request.

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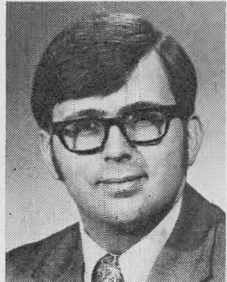


Des Moines News

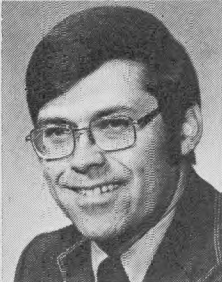
BANKERS Trust has announced the election of the following seven officers: **Leo E. Herrick**, assistant vice president and trust officer; **Dan J. Bomar**, **Russell Curtis** and **Ray Davis**, assistant trust officers; **Ronald J. Dietrick**, trust systems officer; **George F. Tomlinson**, pro-



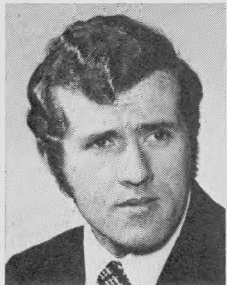
L. E. HERRICK



D. J. BOMAR



R. CURTIS



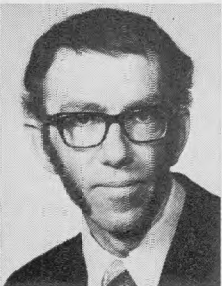
R. DAVIS



R. J. DIETRICK



G. F. TOMLINSON



W. D. WELLER

gramming manager and **William D. Weller**, systems analyst.

Mr. Herrick joined the bank in 1961 and has worked in the trust department since 1965. Mr. Bomar joined the bank in 1969. Mr. Curtis, who was previously associated with the law firm of Claypool and Claypool in Williamsburg, came to the bank in 1974. Mr. Davis joined the bank in 1974 from Lamson Brothers of Des Moines.

Mr. Deitrick has been with the bank since 1974, Mr. Tomlinson since 1964 and Mr. Weller since 1966.

* * *

Forest T. Lewis has been elected president and trust officer of Plaza State Bank, according to **Paul T. Manning**, chairman.

Mr. Lewis, who joined the bank in 1965, formerly served as executive vice president. He previously was associated with Iowa State Bank in Des Moines and State Bank in Terril. He is past president of both the Merle Hay Merchants Association and the American Institute of Banking.



F. T. LEWIS

* * *

Charles O. Russell, president of Highland Park State Bank, recently was elected a director of Valley National Bank. In other action, all officers of Highland Park State Bank were elected officers of Valley National Bank.

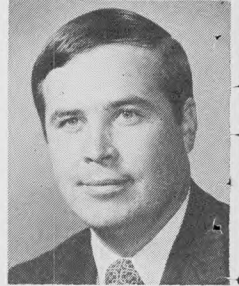
These actions were occasioned by the merger of the two banks. The agreement to merge was first announced by the two banks in August

of 1973. Approval was granted by the Comptroller of the Currency in January of this year.

On March 1, 1975, all offices of the Highland Park State Bank became offices of Valley National Bank.

* * *

Bankers Trust has announced the transfer of **Donald F. Carmody**, assistant vice president, to the correspondent bank department from the commercial loan department. Mr. Carmody has been with the bank since 1969 and has worked in the commercial lending area since 1972, most recently as commercial lending officer. Previously, he was credit analyst.



D. F. CARMODY

* * *

Governor **Robert Ray** recently appointed **Mary Holstad**, 55, to the Iowa Commerce Commission for a six-year term. Mrs. Holstad is an investment officer for Central National Bank and Trust Co. and is the first woman ever appointed to the three member commission which regulates the states utility rates.



M. F. HOLSTAD

Her appointment is subject to confirmation by the Iowa Senate.

Mrs. Holstad is a graduate of East High School, attended Drake University, and is a graduate of the University of Wisconsin's School of Banking in Madison.

* * *

Eagle Grove State Bank Names Vice President

David A. Rouse, president of the Eagle Grove State Bank, has announced the addition of Allan Frevert to the bank's staff as vice president and senior agricultural representative. He replaces Neal Conover who resigned.

Mr. Frevert formerly was with the Webster City Production Credit Association for the past 12 years most recently as senior agricultural loan officer and president-treasurer for the association.

Availability increases your earnings. We feel our availability schedule is the best in the continental U.S.

For more details, call our Correspondent Bank Department toll free 800-362-1615.




KEY	DEADLINE	AVAILABILITY	ITEMS
///	11:00 P.M.	NEXT DAY	IOWA
•	4:00 A.M.	SAME DAY	FEDERAL RESERVE CITIES
■	8:00 A.M.	SAME DAY	DES MOINES AND SURROUNDING CITIES FEDERAL HOME LOAN BANK—STATE TREASURERS ITEMS
⋯	4:00 A.M.	NEXT DAY	COUNTRY ITEMS NATIONWIDE



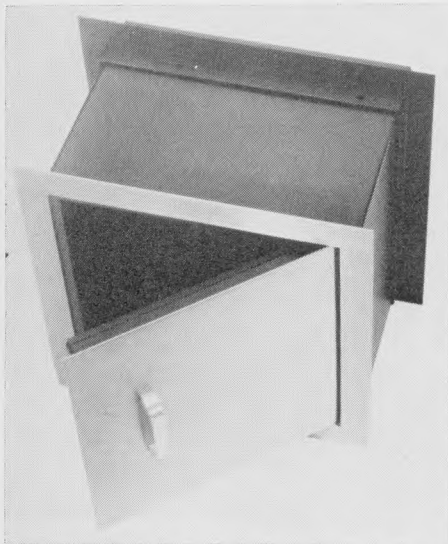
Central National Bank & Trust Company

DES MOINES (515) 243-8181 MEMBER FDIC
LOCUST AT SIXTH / FIFTH & GRAND / 35TH & INGERSOLL / WEST DES MOINES

 AFFILIATED WITH CENTRAL NATIONAL BANCSHARES, INC.

Bankers Market Place

MEILINK Bank Equipment has introduced a new Pass Through designed for security, convenience and appearance.



The brushed stainless steel front compliments virtually any interior design concept. Rugged double doors are engineered for security; both doors cannot be open at the same time. Dimensions of the inner chamber allow abundant room for money bags and other bulk transactions.

Meilink Bank Equipment, with headquarters in Toledo, Ohio, manufactures Sentinel visual drive-up systems, TV drive-up systems, and an expanding line of other related banking equipment.

THE International Monetary Market of the Chicago Mercantile Exchange has just released a revised edition of its "Understanding Futures in Foreign Exchange" brochure.

The 48-page booklet updates and adds to an edition first published in July, 1972. It is offered without charge to the public.

As a basic primer on a complex subject, the booklet's five chapters cover such material as The System of International Payments, Reading and Understanding Foreign Exchange Quotations, Speculating in Foreign Currencies, Hedging in the Futures Market, and Fundamental Factors in Foreign Exchange.

ROYALTY Industries has got the spirit . . . the Spirit of '76, that is.

A pair of the company's best selling coin banks has donned colonial

garb to become George and Martha. This popular pair has had tremendous appeal to families with young children and is expected to score high again as George and Martha in bicentennial bank promotions.

Royalty coin banks are manufactured exclusively for financial institutions and are not sold elsewhere. They are non-toxic, unbreakable and made by Royalty Industries in Hialeah, Fla.

LEFEBURE has announced the development of a unique new telephone line monitoring system, the LM 3800, to help improve the security of financial institutions. This line monitoring system protects the most vulnerable segment of a security system.

LeFebure's LM 3800 system sends a succession of unrelated random audio frequency signals from a central station unit to a premise unit that are virtually impossible to duplicate. Signals are transmitted over the telephone line. If the premise unit receives the signal in a pre-determined period of time, it returns an entirely different frequency signal to the central unit. There's a constant "check and re-check" between the two locations.



If a signal is not received in the time frame assigned (or they are out of phase) a signal lamp and audio alert are activated at the central unit, indicating possible line tampering or trouble in the system. A true alarm at the premise activates a constant electric signal at the central station and energizes an alarm lamp and audio alert. An alarm condition over-rides all circuits.

An exclusive feature of the LeFebure LM 3800 system is the testing capacity. A security officer can test the system at any time. This activates all transmitters and receivers in the system. A meter reading verifies that the total system is operating properly.

LeFebure's LM 3800 system may be connected to an existing or new alarm system. An individual control is used for each installation at the central station, instead of a common complex for all alarm systems to increase reliability and security.

Each installation of an LM 3800

system is unique because pulses and audio frequency are determined by a matched set of circuits that are not duplicated in any other installation. This assures greater security.

THE Mosler century™ Alarm System is featured in a new full-color brochure recently published by Mosler.

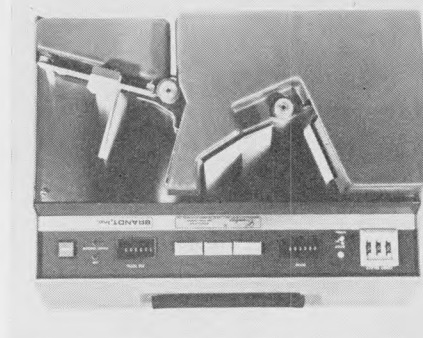


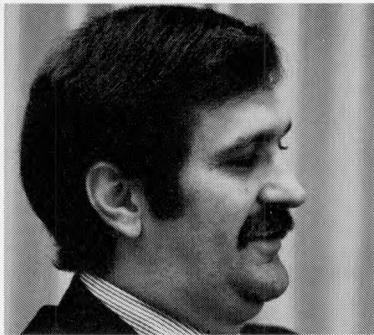
Integral major components for the basic UL-certified century system include a central control panel, program clock, outside bell, audio protection, police reporting, vault door contact, thermostat and vault ventilator contact. The connected bank burglar alarm system with outside bell and Hi-Line Security. The Grade A configuration is a local bank burglar alarm system with outside bell — lower line security can be added for remote police reporting. The century system is engineered to interface with camera surveillance systems and supplementary detection systems.

ONE of the toughest and most expensive problems in money rooms today has been eliminated by the introduction of Brandt's new Model 854 Currency Counter.

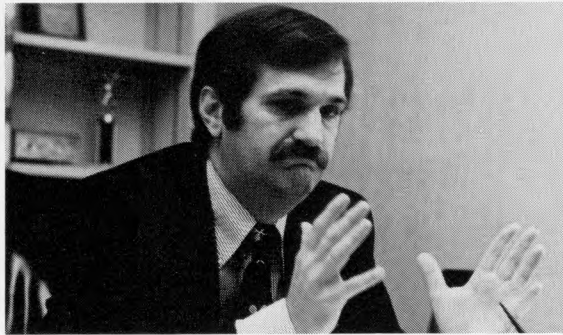
At speeds as high as 1,500 bills per minute, the Model 854 can count and batch unfit currency.

The unit can process unbelievably poor, rag-like currency.

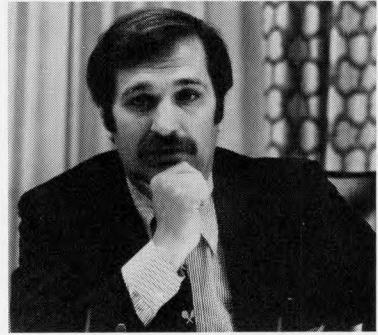




"Right now, most of our branches are in shopping center facilities where there is a major supermarket. Teller-Matic enables us to go straight to the customer."



"You can no longer say that Central Trust is like any other bank. Today, our Central Card program using the Teller-Matic is good enough, strong enough and marketable enough to motivate people to actually change banks!"



"Teller-Matic is more than just an exotic banking machine. With us, it's the foundation of our broad retail marketing package."

"We're doing some innovative things with Teller-Matic... like putting them inside Kroger supermarkets."

Robert Klingler, Vice President, Retail Banking, at Central Trust Company, Cincinnati, Ohio, discusses his choice of the Mosler Teller-Matic® automatic teller.

Central Trust Company, with 32 branch offices located throughout Hamilton County, ranks as one of Cincinnati's largest and most progressive banking operations.

Central Trust was the first Cincinnati bank to offer customers around-the-clock automatic teller services through Mosler Teller-Matic, and more recently, launched its Central Card—a retail card program that is unique in the industry.

The Kroger installations—and why.

"Currently, we have 12 Teller-Matic installations, all of these through - the - wall, walk-up installations at branch sites. But I would anticipate that all future installations will be in locations that are hardly traditional in banking. By that I mean we have plans for and commitments to numerous Teller-Matic installations in new kinds of high-traffic areas, such as Kroger supermarkets.

"The Kroger installations will have a special appeal to us. The banks and supermarkets are both once-a-week markets, and we feel the tie-in is a natural one. The supermarket attraction is enormous. Most of our branches are in shopping centers near major supermarkets. Now we're taking the next logical step and establishing installations *inside* the supermarkets. It's all based on our philosophy of making the bank available to the customer when and where the customer chooses to take advantage of *his* money.

"We can do this with Teller-Matic. And that's the future of retail banking, not the \$300,000 full-service branches.

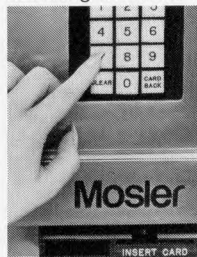
Labor costs and the Teller-Matic. "One of our recurring problems is that we have a tremendous amount of expense tied up in salaries, and we simply felt that we had to

try to reduce the labor content of our services. Does this mean going to a less personal type of banking? Not really. The Teller-Matic is ideal for routine transactions where there is a premium on speed, convenience and efficiency. But in situations where personal involvement is important, we fully believe in using people. Our automatic tellers handle a large portion of the routine transactions, making it possible for our people to devote more time to customers requiring personal banking. It allows us to provide convenient, efficient banking services with a smaller labor content.

How the Teller-Matic choice was made.

"At the point when we were investigating automatic tellers... another manufacturer actually had the lion's share of the market. But we decided to go with Mosler Teller-Matic. We did so with the belief that Mosler could not afford to enter this market without being successful right from the outset. They have a commitment to the banking industry, and they had to have made a financial and personnel commitment to keep their product competitive. They delivered everything they promised.

Day-to-day operations and reliability experience. "The big difference, we feel, is inside. Without any question, the Mosler equipment is the best we have seen from an internal operation standpoint: balancing, handling the total internal operation, and



interfacing with our computer operations system. "The other big factor is the amount of downtime. The importance of keeping an automatic teller operating can't be over-emphasized. You don't have to turn a customer off more than once with this type of equipment to lose him forever as a potential user. We keep track of each installation on a monthly basis, and I can tell you that we've had far fewer problems in keeping our equipment operating than

users of competitive equipment. I can say that because Central Trust does a great deal of processing for other credit card operations, so we are well aware of the problems with competing equipment—and downtime is high on the list.

Marketing advantages and cost justification.

"We didn't try to approach automatic teller systems on a cost justification basis. Our usage on the equipment is very satisfactory to us, and has grown steadily from the beginning.

"The interesting aspect of the usage we've measured is that the Teller-Matic has consistently generated more dollars in deposits than in withdrawals. This is evidence that customers are using it for many types of transactions, not just as a source for emergency cash. To a large portion of our customers, the Teller-Matic is 'the bank.'

Report on Mosler Teller-Matic service.

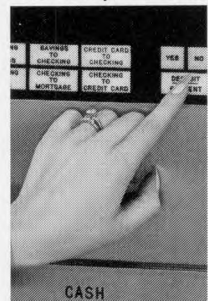
"The most positive thing I can say about Mosler is that they've delivered a system that works and they've backed it up. This goes back to the downtime factor. If the equipment had bugs in it... if Mosler didn't back it up with real service, the program would have been a disaster.

"But it wasn't. We consider it an enormous success. We have the Teller-Matic and we are definitely pleased. What more can I say?"

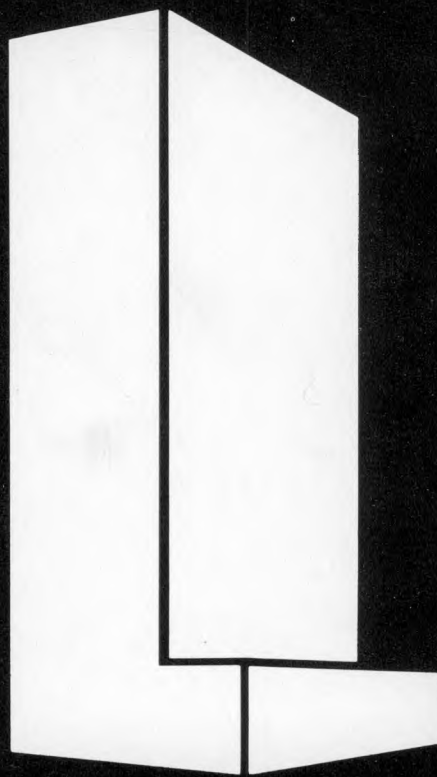
For more information on the extraordinary Mosler Teller-Matic, write Mosler, 1561 Grand Boulevard, Hamilton, Ohio 45012.

Mosler

An American-Standard Company



**PICK ON
SOMEBODY
OUR
SIZE**



Yes, pick on the leader and let us help you with any banking problem. George Milligan, Bob Buenneke, Dwayne Smith, Bernie Kersey, John Zdychnec, Dorothea Wolfe and Voldy Vanags are the experts who will take care of your every banking need.

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