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JUNE  
1980

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**Convention Reports: Nebraska • South Dakota**

• **Inflation squeezes bank stocks**

• **Examine asset-based financing**

• **Financial statements: What do they reveal?**

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OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES

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## ON THE COVER

The San Francisco of the North coast, Duluth, greets a new day with a "fleet" of ocean ships and lake carriers adding to the colorful sunrise over the Seaway Port of Duluth. The professional artistry of Basgen Photography-Duluth captured this exquisite, reflective mood.

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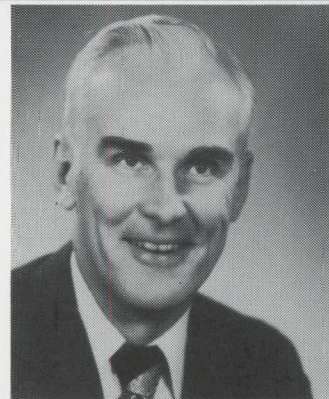
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Gregory Tamborello



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James T. Gowan, president  
Minnesota Bankers Assn.



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Robert F. Burke, president  
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George McIlvaine, president  
Wyoming Bankers Assn.



## NORTHWESTERN BANKER

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# Convention Calendar

ABA—American Bankers Association  
 AIB—American Institute of Banking  
 BAI—Bank Marketing Association  
 IBAA—Independent Bankers Association of America  
 NABW—National Association of Bank Women, Inc.  
 RMA—Robert Morris Associates

## National Conventions & Schools

June 5-7—Assn. of Bank Holding Companies 22nd Annual Meeting, Williamsburg Inn, Williamsburg, Va.  
 June 15-18—ABA National Corporate Trust Workshop, Palmer House, Chicago.  
 June 16-18—NABW Tri-Regional Conference, (North Central, Lake and Midwest Regions) Pfister Hotel and Tower, Milwaukee, Wis.  
 June 25-27—Upper Midwest Agricultural Credit Conference, Medora, N.D.  
 July 13-19—ABA National Compliance School, University of Notre Dame, Notre Dame, Ind.  
 July 19—AIB Dist. 10 Leaders Conference, Radisson-St. Paul, St. Paul, Minn.  
 July 19—AIB Dist. 11 Leaders Conference, Ramada Inn (Airport), Milwaukee, Wis.  
 July 20-25—Midwest Banking Institute Program for Agricultural Bankers, University of Minnesota, Morris.  
 July 20-26—ABA National School of Bank Card Management, Northwestern University, Evanston, Ill.  
 Aug. 10-15—Graduate School of Banking Postgraduate Course, University of Wisconsin, Madison.  
 Aug. 10-23—Graduate School of Banking 35th Annual Session, University of Wisconsin, Madison.  
 Aug. 20-22—Conference of State Bank Supervisors Dist. IV Meeting, Badlands Motel, Medora, N.D.  
 Aug. 31-Sept. 3—IBAA 13th Seminar-Workshop on Bank Ownership, The Drake Hotel, Chicago.  
 Sept. 7-9—ABA Mortgage Marketing and Investor Relations Seminar, Fairmont Hotel, Denver.  
 Sept. 14-17—ABA National Bank Card Conference, New York (City) Hilton.  
 Sept. 14-17—BMA 65th Annual Convention, San Francisco Hilton, San Francisco, Calif.  
 Sept. 14-26—ABA National Instalment Credit School, University of Oklahoma, Norman.  
 Sept. 21-24—ABA National Personnel Conference, Olympic Hotel, Seattle, Wash.  
 Sept. 22—ABA IRA Workshop, Hyatt Regency O'Hare, Chicago.  
 Oct. 5-8—NABW Annual Convention, Washington, D.C.  
 Oct. 11-15—ABA 106th Annual Convention, Chicago.  
 Oct. 19-23—IBAA Bank Executive Development Seminar, Ball State University, Muncie.  
 Nov. 5-7—ABA Central Regional Workshop, 1980 Operations/Automation Division, Hyatt Regency Indianapolis, Ind.  
 Nov. 9-12—RMA 66th Annual Fall Conference, Stouffer's Riverfront Towers, St. Louis, Mo.

Nov. 9-12—ABA National Agricultural Bankers Conference, Loew's Anatole, Dallas, Tex.  
 Nov. 9-20—ABA National Commercial Lending School, University of Oklahoma, Norman.  
 Nov. 16-18—ABA National Correspondent Banking Conference, Hyatt Regency, Atlanta, Ga.

## 1981

Feb. 15-18—ABA Community Bank Executives Conference, Hyatt Regency Phoenix.  
 Mar. 22-24—ABA National Credit Conference, Chicago Marriott.  
 Mar. 22-25—ABA National Instalment Credit Conference, Los Angeles Bonaventure.  
 Mar. 22-26—IBAA 51st Annual Convention, Las Vegas Hilton, Las Vegas, Nev.  
 May 31-June 3—ABA National Marketing Conference, Fairmont Hotel, Denver.  
 Sept. 13-16—ABA National Personnel Conference, Loew's Anatole, Dallas, Tex.  
 Nov. 8-11—ABA National Agricultural Bankers Conference, Sheraton Washington, D.C.  
 Nov. 15-18—ABA National Correspondent Banking Conference, Hyatt Regency, Kansas City, Mo.

## State Conventions & Schools

### Colorado:

June 5-7—Colorado Bankers Association 79th Annual Convention, Broadmoor Hotel, Colorado Springs.  
 Aug. 3-15—CBA School of Banking, University of Colorado, Boulder.

### Illinois:

June 5-7—Illinois Bankers Association 89th Annual Convention, Stouffer's Riverfront Towers, St. Louis, Mo.  
 June 8-14—IBA Agricultural Lending School, Illinois State University, Normal.  
 June 11-14—IBA Advanced Agricultural Lending Clinic, Illinois State University, Normal.  
 Aug. 17-23—IBA Consumer Lending School, Eastern Illinois University, Charleston.  
 Nov. 19-20—IBA 35th Annual Bank Management Conference, Holiday Inn, Decatur.

### Iowa:

June 9-20—Ag Credit School, Iowa State University, Ames.  
 June 15-20—Iowa School of Banking, University of Iowa, Iowa City.  
 July 17-19—Iowa Independent Bankers 9th Annual Convention, The New Inn, Lake Okoboji.  
 Aug. 11-15—Iowa Instalment Lending School, Drake University, Des Moines.  
 Sept. 21-23—94th Annual Convention, Civic Center, Des Moines.

### Minnesota:

June 16-17—90th Annual Convention, Duluth Arena Auditorium, Duluth.  
 June 22-27—Minnesota School of Banking, St. Olaf College, Northfield.

### Montana:

June 25-27—77th Annual Convention, Broadmoor Hotel, Colorado Springs, Colo.

### Nebraska:

June 7-11—Washington Legislative Visit.

### North Dakota:

June 8-13—School of Banking, University of North Dakota, Grand Forks.  
 Sept. 17-19—Ind. Comm. Bankers of N.D. Annual Convention, Ramada Inn, Minot.  
 Oct. 6—NDBA Northeast Group Meeting, Devils Lake.  
 Oct. 7—NDBA Northwest Group Meeting, Garrison.  
 Oct. 8—NDBA Southwest Group Meeting, New Salem.  
 Oct. 9—NDBA Southeast Group Meeting, Valley City.  
 Oct. 21-22—Bank Women's Conference, Seven Seas Motor Inn, Mandan.  
 Nov. 18-19—Agricultural Credit Conference, Ramada Inn, Minot.

### South Dakota:

Oct. 22-23—SDBA Economics Seminar, Holiday Inn, Mitchell.  
 Oct. 9-10—Instalment Credit Conference, Sheraton Hotel, Aberdeen.

### Wyoming:

June 11-13—Wyoming Bankers Association 72nd Annual Convention, Jackson Lake Lodge, Moran.

## B of A Opens Seventh Branch in Argentina

Bank of America has announced the opening of a new branch in Cordoba, the bank's seventh in Argentina and the third opened in that country in the past year.

The branch will offer full banking services. Emphasis will be given pre-export and export financing, as well as programs for the entire agricultural crop cycle from pre-production through distribution.

## Continental Elects New Director to Boards

John M. Richman, 52, chairman and chief executive officer of Kraft, Inc., was elected a director of the boards of Continental Illinois Corp. and its principal subsidiary, Continental Illinois National Bank and Trust Company of Chicago, at the annual meeting of stockholders.

Robert W. Reneker, former chairman and chief executive officer of Esmark, Inc., and Arthur M. Wood, former chairman and chief executive officer of Sears, Roebuck and Co., did not stand for re-election at the annual meeting in accordance with the retirement policy for directors.

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## ABA Lists 1980-81 Officer Slate

**O**FFICIAL nominees to lead the American Bankers Association during its 1980-81 Association year were selected by the ABA Council during a meeting at White Sulphur Springs.

Nominated for the presidency of ABA is Lee E. Gunderson, president of the Bank of Osceola, Wisc. Mr. Gunderson currently is president-elect of the ABA.

Llewellyn Jenkins, vice chairman of

the board of Manufacturers Hanover Trust Co., New York, was nominated ABA president-elect.

C. C. Hope Jr., vice chairman of the board of First Union National Bank, Charlotte, N.C., is slated to become chairman of the ABA Council. He currently serves as president of the ABA.

Virgil E. Solso, president of The Oregon Bank, Portland, was nominated for a second term as ABA treasurer.

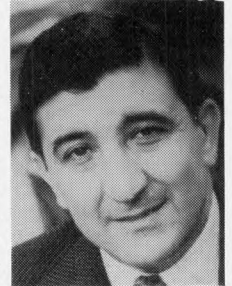


L. E. GUNDERSON

L. JENKINS

## Bob Abboud Resigns As First Chicago Chairman

A. Robert Abboud, 50, has resigned as chairman and chief executive officer of First Chicago Corporation and its principal subsidiary, The First National Bank of Chicago, according to an announcement made at a press conference in the bank last month by Ben W. Heineman, head of the holding company's executive committee. Mr. Heineman, chairman of Northwest Industries, Inc., Chicago, said Mr. Abboud will continue actively as chief executive of the holding company and bank until a successor is named, a process that may be completed in two months but possibly will take up to four months. During that time, Mr. Heineman will maintain an office at First Chicago where he will "consult with the chief executive on major policy and personnel matters."



A. R. ABBOUD

Mr. Heineman also announced at the press conference that Harvey Kapnick, 55, who had joined the holding company six months ago as deputy chairman and No. 2 officer, had resigned effective immediately. Mr. Kapnick had been chief executive officer of Arthur Andersen & Co. prior to joining First Chicago.

The press conference and announcement of the resignations came two weeks after Mr. Kapnick met with Mr. Heineman and the board at his request to define his duties.

The bank had undergone four straight quarters of declining earnings, with the first quarter of 1980 showing a 44.1% drop from a year earlier. Much of this was attributed to longer term loans locked in at lower rates at a time when interest rates and cost of money were escalating rapidly in 1979 and early 1980.

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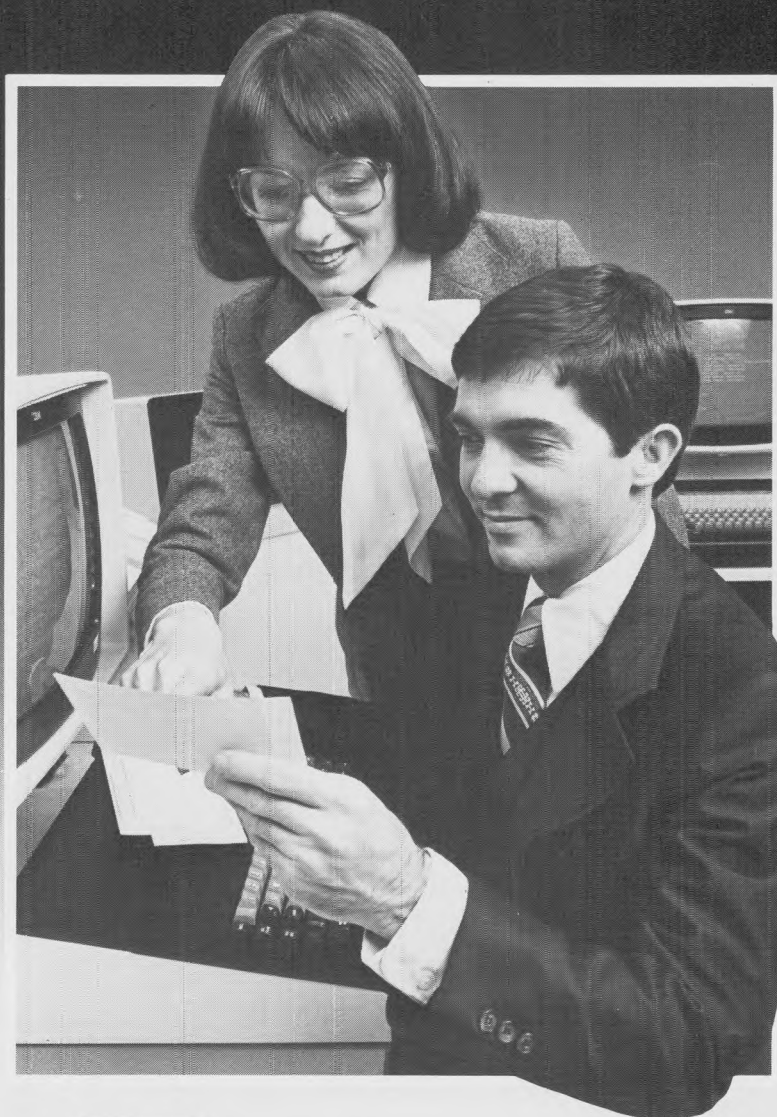
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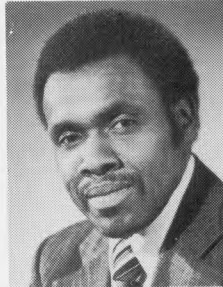


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## Bank Promotions

**P**ROMOTIONS and other changes have been announced by the following banks:

**American National Bank & Trust Co., Chicago:** The board of directors has elected Henry S. Roberts a senior vice president, and Jonathan P. Hecht and Anthony A. Scerba vice presidents. Mr. Roberts is the director of data processing, Mr. Hecht is in commercial



H. S. ROBERTS



A. A. SCERBA



J. P. HECHT

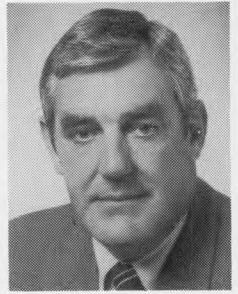
loan division T, and Mr. Scerba works in American National Data and Tel-A-Data, the bank's data processing divisions serving correspondent banks.

Seven second vice presidents were named: Thomas M. Blake, operations development; Caryl J. Burke, Gateway Center facility; Michael E. King, estate administration; Gregory S. Kobus, commercial division W; Michael T. Manion, operations development; Stephen P. Manus, trust investment, and Ronald D. Yenerich, personnel.

New officers include: Alan S. Adams, Craig B. Collinson, Eugene R. DeMuro, Paul G. Greig, Nancy D. Halwig and William L. Hartmann, commercial banking officer; Edith M. Adlam and Sybil A. Mundy, operations officer; Suzanne G. Baker, Stephen A. Dixon and Arnold F. Stone, trust officer; W. John Carr Jr., trust investment officer; Jackson L. Bowden, assistant comptroller; Dennis J. Antolec and Carl W. Johnson, customer service officer, and Mary A. Farrell, personnel officer.

**Commerce Bank, Kansas City:** Fred N. Coulson Jr. has resigned as

senior vice president and head of the correspondent bank department to become president of Acceleration Life Insurance Co., Kansas City. He has succeeded as department head by H.C. Bauman, vice president. Mr. Coulson had previously been an officer of a Kansas City life insurance company before joining Commerce Bank a number of years ago. In his new position he will be developing a closer relationship with financial institutions through credit insurance policies and other financial products.



F. N. COULSON

**Continental Illinois Corp., Chicago:** New assignments for several senior officers of Continental Bank have been announced by the parent company's chairman, Roger E. Anderson.

Alfred F. Miossi, executive vice president, will assume the newly-created position of director of international affairs. His responsibilities will include relationships with foreign governments and other organizations involved with international business.

Leo C. deGrijs, senior vice president and head of the international banking department, assumes worldwide responsibility for international banking services reporting to George R. Baker, executive vice president for general banking services.

Gail M. Melick, executive vice president in charge of operations and management services, assumes additional responsibilities for personal banking services, headed by William D. Plechaty, senior vice president.

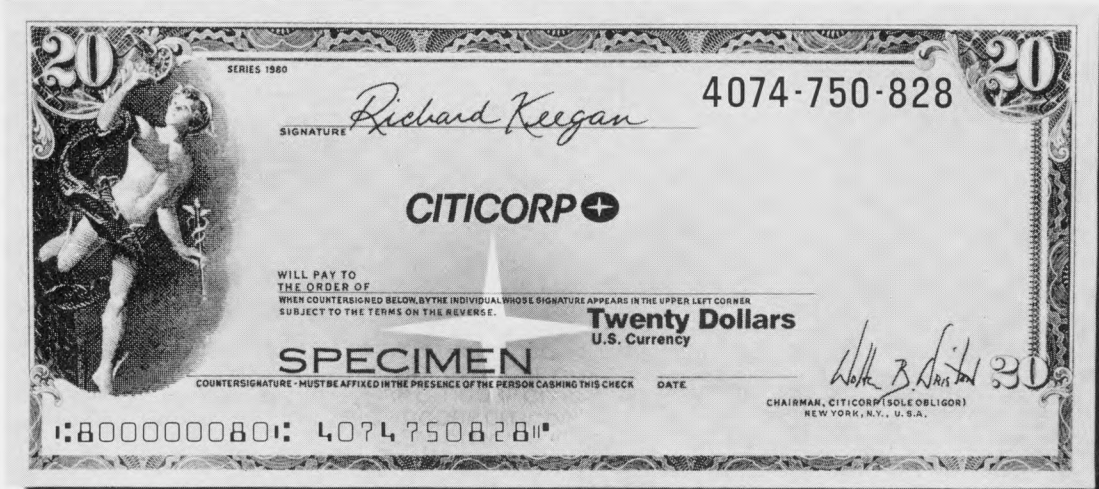
Ray F. Myers, executive vice president, will become general counsel, a title change from corporate counsel.

J. Joseph Anderson, senior vice president for multinational banking services, will assume responsibility for the combined functions of the controller's division and systems research and development.

Succeeding Mr. Anderson in multinational services will be John E. Porta, senior vice president and head of the financial services department.

Caren L. Reed, senior vice presi-

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dent, who most recently served in London as head of the multinational activities for Europe, will succeed Mr. Porta in financial services.

Edward S. Bottum, senior vice president, will assume responsibility for the metro/midwest division of the commercial banking department. Replacing Mr. Bottum as head of planning, research and development will be Alexander J. Pollock, vice president.

Eugene R. Croisant, senior vice president and head of corporate personnel services, assumes additional responsibility for the corporate communications division.

Additionally, Mr. Croisant will chair a newly-formed public policy committee, reporting to John H. Perkins, president, that will coordinate the organization's involvement in public affairs and also will be responsible for the development, refinement and monitoring of a broad strategic plan for the organization dealing with corporation's publics, both foreign and domestic.

Herbert E. Johnson, senior vice president, will serve as secretary to the public policy committee. Other members of the committee are Messrs. Baker, Bottum, Melick, Miossi, Myers and David G. Taylor, executive vice president, bond and money market services.

Mr. Anderson said the new assignments will become effective over the next three months.

**Federal Reserve Bank of St. Louis:** President Lawrence K. Roos has announced the promotion of three officials.

William J. Sneed was appointed vice president with responsibility for budgeting, accounting, protection and building-purchasing functions. He joined the bank in 1957 and was formerly an assistant vice president.

Named assistant vice president were Jerome J. McGunnigle and Darwin W. Stephens.

Mr. McGunnigle, formerly systems project director in the data processing department, joined the bank in 1973. He has a bachelors degree in business administration from Washington University.

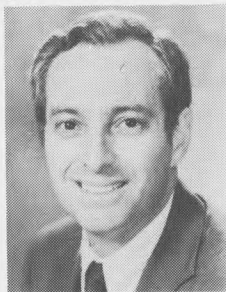
Mr. Stephens, formerly manager of the securities department, joined the bank in 1960. He has a bachelors degree from St. Louis University.

**First National Bank in St. Louis:** Several staff changes were made recently including four promotions and three new associates.

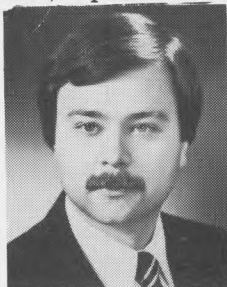
Named assistant vice president were Richard J. Aberson, international department, and James A. Watson, special industries.

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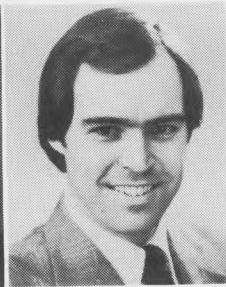
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R. J. ABERSON



J. A. WATSON



J. D. SPENCER

dustries. Mr. Aberson, most recently in private law practice, is a graduate of Washington University Law School. He had nine years of international banking experience with Citibank, N.A. and served with banks in Miami.

Mr. Watson joined the bank as a credit analyst in 1977 and transferred

John D. Spencer has joined the bank as cash management officer. He was formerly with Detroit Bank & Trust Co. Ronald G. Sherod, formerly with Goldman, Sachs, & Co., St. Louis, has joined the bank as a commercial banking officer in the national accounts department.

Appointed officers were James C. Nabe and James R. Werner, auditing, and Stephen P. Szakielo, commercial banking. Mr. Nabe joined the bank in 1975, Mr. Werner in 1972 and Mr. Szakielo in 1974.

**First National Charter Corp., Kansas City, Mo.:** James M. Prevost has been promoted to assistant vice president and EDP auditor. He

joined Charter in 1978 as assistant auditor-EDP and has been involved in electronic data processing operations since 1966. He has a BSBA degree in finance from Rockhurst College and was scheduled to receive an MBA from Rockhurst in the spring.

**Harris Bank, Chicago:** Bruce F. Osborne, vice president, has been named head of the banking division serving companies in the commodity, food processing, meat packing, grain, livestock and agricultural industries. He joined Harris in 1967 and formerly headed the banking division serving Chicago-based multi-national corporations. He has an MBA degree from Butler University, Indianapolis.

**The Northern Trust Company, Chicago:** The board of directors recently announced several staff changes.

Andrew M. Jarmel and Raymond C. O'Brien were promoted to the position of vice president in the trust department.

Named second vice presidents were: Gregg D. Behrens and Robert P. Griffiths, banking department; Diane R. Stumpf, financial management department; Jennifer K. Cameron, R. Sue Connolly and Von A. Jansma, international department, and Barry G. Hoyt, trust department.

Kathleen M. Hogan was named an investment officer in the trust department.

## Conflict Over Fed Interest Rate Regs

Federal regulatory agencies have placed a temporary ceiling on the rate of interest that may be paid on 2½ year variable rate time certificates. At the same time, the Treasury has urged Congress to repeal the interest rate ceiling on savings bonds so the Government can compete more effectively for savings.

The action placing a temporary ceiling of 12% for savings and loan associations, mutual savings banks and credit unions and 11¾% for commercial banks was effective last month. Compounding of interest is permitted and the new ceiling will result in an effective yield for 2½-year instruments of 12.94% for thrifts and 12.65% for commercial banks.

The 2½-year certificate has been offered since January 1 with a ceiling rate tied to the yield on U.S. Treasury securities of similar maturity.

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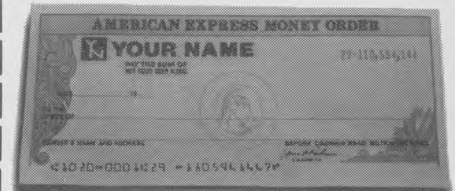
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you with easy-to-use, customized qualifying tables so you can individually structure each loan.

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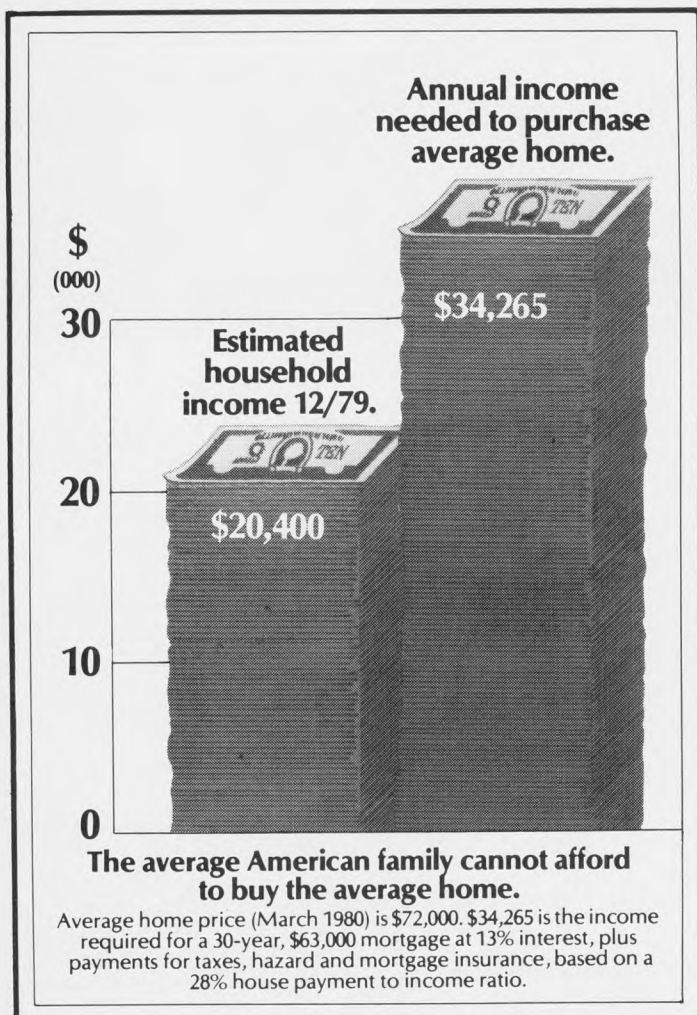
Our free computer analysis will structure the loan payment schedule for you. Or if you want to access Action! on your own computer terminal, we'll show you how to do it, inexpensively. We can also provide you with an Action! software package for use on your own computer.

## Flexible FLIP® Mortgage.

FLIP also uses a pledged account to reduce payments in the early years of the mortgage. It employs a time-sharing computer to analyze estimated income growth, home cost, down payment and other factors. You simply enter borrower information at your terminal to qualify the borrower and set up a loan payment schedule.

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interest is deferred during the initial years. The loan balance rises during this initial period, then the loan begins to amortize normally.

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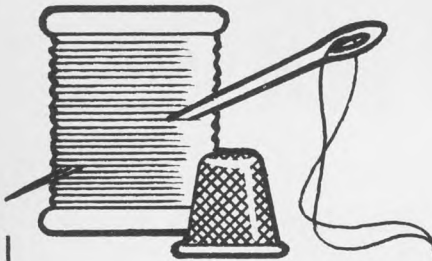
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## Corporate

**P**ROMOTIONS and other changes have been announced by the following firms:

**Bank Building Corporation, St. Louis:** Eugene E. Palmer has been promoted to consultant services manager in the company's central division in St. Louis. He will be responsible for representing the firm throughout that division's five-state area.



**E. E. PALMER**

Mr. Palmer joined BBC in 1968 as valuation consultant for Marshall & Stevens, a subsidiary of BBC. He was then promoted to vice president of Marshall & Stevens, and in 1979 was made vice president of BBC RESCO. Prior to joining BBC, Mr. Palmer was manager of real estate for the Phillips Petroleum Company in St. Louis.

**Banco Financial Corporation, Minneapolis:** John H. Olson has been named president and chief operating officer succeeding Clarence A. Adams, who was elected chairman and chief executive officer.



**C. A. ADAMS**



**J. H. OLSON**

Mr. Adams had been president and chief executive officer of the corporation since it was organized in 1974 as the commercial finance subsidiary of Northwest Bancorporation.

Mr. Olson was most recently senior vice president and manager of Banco's loan and administration division, a post he had held since 1977. He was previously senior vice president in the commercial loan department at Northwestern National Bank of Minneapolis.

**Brandt, Inc., Watertown, Wis.:**

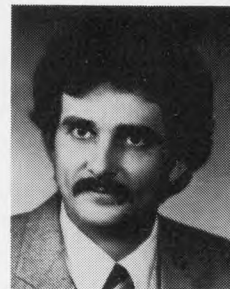
Terry E. Johnson has joined the firm as director of international operations, according to E. James Quirk, president. Mr. Johnson takes complete responsibility for all international operations of the company, including sales, marketing, product planning and establishment of sales and service offices. He has a degree in transportation from LaSalle University and formerly was international sales manager of the Simplicity division of Allis-Chalmers.



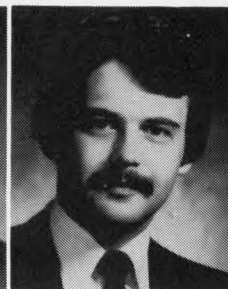
**T. E. JOHNSON**

**Credit Systems, Inc., St. Louis, Mo.:** James B. Eisenbath has been appointed senior vice president-technical services and Robert W. Brewer senior vice president-systems/programming, it was announced recently by John G. Regan, president. CSI is the operating center for the MasterCard and Visa credit card programs in the five-state midwest area of Missouri, Kansas, Iowa, Illinois and western Kentucky.

**Diebold Incorporated, Canton, Ohio:** Daniel Neil Vachalek has been promoted to district manager responsible for all the firm's service activities in eastern Nebraska and southwest Iowa. Timothy G. Smith has joined Diebold as marketing manager-special programs.



**D. N. VACHALEK**



**T. G. SMITH**

Mr. Vachalek joined Diebold in 1973 as a service technician in St. Louis. He has studied electronics and industrial management at Southwest Missouri State University and now resides in Lincoln, Neb.

Mr. Smith of Kent, Ohio, will be responsible for coordinating the sales/support effort with "Club" ac-



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counts in the automatic banking division. Formerly he was a manager/consultant with Systems and Computer Technology Corp., Cleveland, and has an MBA degree from Kent State University.

**Tom Hagan & Associates**, a bank personnel firm, has opened an office in the Minneapolis-St. Paul area with Bonnie Brooks as manager.

The Twin Cities office provides clerical placements and a bonded temporary help service in that area as well as junior and senior executive officers in the north central states.

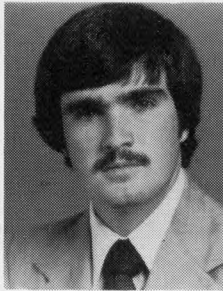
Linda Blue Smith, president of Tom Hagan & Associates of Kansas City, has assumed additional duties as chief executive officer of the Kansas City operation.

"The additional office will help us to provide a broader base of both applicants and banks from which to work. Our mailing list now covers 20 states from Canada to the Gulf of Mexico in Central United States," Tom Hagan, board chairman in Kansas City, stated.

**Financial Institution Service [Bankclub]**, Nashville, Tenn.: Lorne Newhouse, regional director, has moved his regional office to Omaha



L. R. NEWHOUSE



S. CARRON

from Des Moines. Iowa, Nebraska, Kansas and Missouri will be under his jurisdiction. His address is 9122 Timberline Drive, Omaha, Nebr. 68152.

Steve Carron will work as associate director out of Cedar Rapids. Frank Wallace, a former bank president from Louisiana and Texas, will cover the Missouri area from Columbia, and Gary Pierce will cover Kansas from Manhattan.

Mel Sommers will continue as regional director working out of Minneapolis. Minnesota, South Dakota, North Dakota, Wisconsin and now Illinois are under his jurisdiction. Homer Aldrich of Decatur serves as an associate for Illinois.

The company held its national convention in Orlando last month, and honored Mel Sommers as number one sales executive.

**Financial Insurance Service, Inc., Schaumburg, Ill.:** J. R. (Dick) Morran, a bank insurance specialist for 28 years, has been appointed vice president for national sales.

Previously a vice president of Insurance Programmers, Inc., and underwriting vice president in charge for Scarborough & Co., Mr. Morran is credited in the industry for developing many new insurance policy concepts, including bankers' data processing transit and extra expense insurance, bankers' special bond and electronic terminal insurance.

In addition to his sales responsibilities at Financial Insurance Service, Mr. Morran will be in charge of new product development.

Mr. Morran is a former director of the Association of Lloyds Brokers of Illinois and chairman of its committee on banks.



J. F. MORRAN

**Walter E. Heller International Corporation, Chicago:** The appointments of Robert H. Purcell to vice president-corporate planning and Marsha Neece to assistant vice president-director of taxes were announced recently.

Mr. Purcell, 36, an attorney and certified public accountant, advanced from tax counsel for the corporation. Prior to joining Heller in 1977, he was affiliated with Ward Foods, Inc., and Arthur Andersen & Company.

Mr. Purcell graduated from the University of Nebraska with a B.S. in business administration. He also earned his J. D. from the University of Nebraska.

Mrs. Neece, 36, a certified public accountant, moves up to the senior tax position at Heller International. Previously, she was director of taxes at its commercial finance and factoring subsidiary, Walter E. Heller & Company. She has been with Heller since 1978.

Before joining Heller, Mrs. Neece was associated with Motorola, Inc., and with the firms of Price Waterhouse & Co. and Deloitte, Haskins & Sells.

She is an honors graduate of the University of Illinois.

**MorAmerica Capital Corporation, Cedar Rapids:** Directors have elected Donald K. Taylor as regional vice president. He will manage the Cedar Rapids regional office and be responsible for developing and monitoring venture capital investments in Iowa, Minnesota and parts of Illinois.

Mr. Taylor joined MorAmerica Capital January 2, 1980, after seven years with Northwestern National Life Insurance Co, in the field of corporate private placement investments.

MorAmerica Capital is a federally licensed Small Business Investment Company with regional offices in Milwaukee, Kansas City, St. Louis and Cedar Rapids. It is a wholly owned subsidiary of MorAmerica Financial Corporation.

**North Central Life Insurance Company, St. Paul:** Gregg M. Schneider, FSA, has been advanced to assistant vice president and actuary. He will head the actuarial department and expand work on new product development. Before joining North Central as associate actuary in

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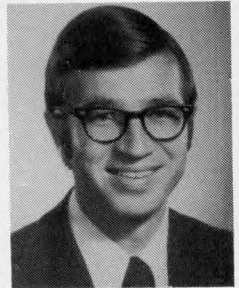
December, 1978, Mr. Schneider was with Sentry Life Insurance Co. of Stevens Point, Wis.

**United Guaranty Residential Insurance Co., Bettendorf, Iowa:** W. H. Gillison, president, has announced that Howard Turner and Dan Kester have been named to The President's Club for 1979. Mr. Turner is the regional representative for eastern Iowa and Mr. Kester is regional representative for metropolitan Minneapolis.

Membership in the club is awarded to the individual in each of the company's 12 operating regions who adds the most new users during the year.

## Mark Willes Resigns As 9th Fed President

Mark H. Willes is resigning effective June 30 as president of the Federal Reserve Bank of Minneapolis to accept appointment as executive vice president and chief financial officer at General Mills Corp. He will also be a member of that firm's management policy committee.



**M. H. WILLES**

The 38-year-old executive has been the youngest of the 12 Fed Bank presidents. After receiving his PhD in economics and finance from Columbia University in 1967 he joined the Federal Reserve Bank in Philadelphia as a consulting economist. Four years later, after having served as vice president and director of research, he was named first vice president of the Fed Bank in Philadelphia at the age of 30.

He became president of the Minneapolis Fed in April, 1977, and quickly became personally acquainted with bankers throughout the 9th Fed District, which embraces Minnesota, the Dakotas, Montana, parts of Wisconsin and the Upper Peninsula of Michigan. He was in great demand as a speaker at bank conventions because of his common-sense approach to the nation's financial troubles. He has been a strong supporter of firm monetary policy to control inflation.

Thomas E. Gainor, first vice president of the Minneapolis Fed, has been designated to act as president of the bank until a successor has been named.

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### Book Commemorates Banco's First 50 Years

The story of how a bank holding company survived the boom and bust cycles that brought both financial ruin and prosperity to the Northern Plains states is chronicled in a 71-page book published recently by Northwest Bancorporation, Minneapolis.

The book, *Banco At Fifty 1929-1979*, was written by Harold Chucker, noted economic writer and associate editor of the Minneapolis Star. Mr. Chucker describes Banco's precarious beginning just 10 months ahead of the stock market crash. Soon after, deposits at rural banks, which the new bank holding company had hoped to stabilize, fell sharply, and within six years more than 2,500 banks located in Banco's region went out of business or were absorbed by other banks. But not one Banco failed.

### United Guaranty Corp. Reports Earnings

United Guaranty Corporation, the Greensboro, N.C. mortgage insurer, has reported first quarter earnings.

Before securities transactions, quarterly income amounted to \$3,645,000, or 75¢

a share, compared with income of \$3,548,000, or 73¢ a share, in 1979's first quarter.

Reporting to directors, President and CEO William L. Hemphill said, "First quarter operations were in line with our expectations. Compared with 1979, new business premiums were down, both renewal premiums and investment income were up, and net income from operations rose modestly."



W. L. HEMPHILL

### Deluxe Check Shows Gains

Deluxe Check Printers, Incorporated reports sales for the first quarter of 1980 were \$100,559,264, a new record for a three-month period and up 20.3% over the first quarter of 1979 when sales were \$83,565,829.

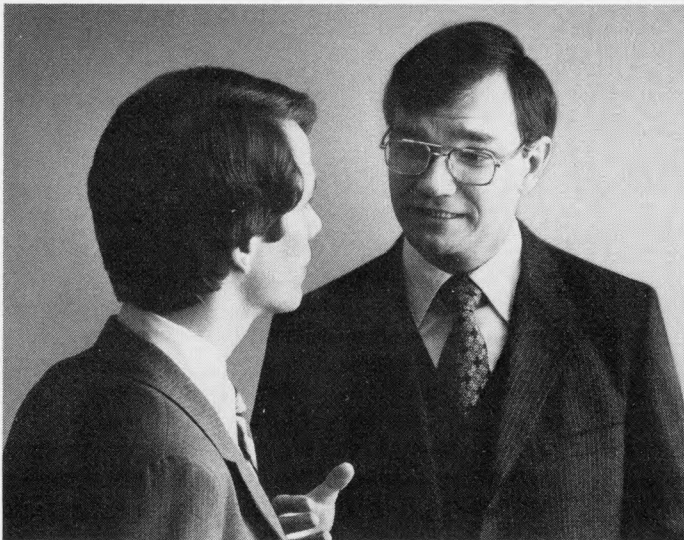
Net income for the period was \$9,271,907, up 25.4% from last year's earnings of \$7,393,404. Net income per share for the quarter was 81¢ compared to 65¢ in 1979. The report was announced by Eugene R. Olson, president.

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For equity-shy customers:

## Examine asset-based financing

**H**ALF of 1980 has passed and inflation has continued to be a pressing problem. No one has felt its sting more than the small businessman. He has discovered that even though sales may continue to be strong, he must sell more of his goods and services or fall behind inflation. This has created a situation in which many small businessmen must run in order to keep up.

However, keeping up with inflation often comes at the cost of reducing the quality of small business' balance sheet. It means greater dollar investment in their receivables and inventories. This, in turn, creates a situation in which assets and debt build at a faster pace than equity, thereby distorting traditional leverage ratios.

This reduction in the quality of corporate balance sheets has created an environment where the customary, unsecured financing is not totally adequate to meet the needs of small- and medium-sized businesses. This financing dilemma is heightened by the fact that the equity market is generally not an acceptable or feasible alternative.

### Asset-Based Financing

However, more and more concerns have found there is an avenue open in their search for working capital, and that avenue is asset-based financing. Loans secured by assets have many benefits. Since tangible assets are used as security, more funds are available to the borrower than otherwise would be possible. These available funds give small businesses a greater flexibility to take advantage of the many opportunities that require capital. This flexibility is critical to the ability of small companies to grow and prosper. For the lender, this type of loan arrangement involves much less risk, making a secured loan a much more attractive situation.

Because of the increased interest in, and demand for, asset-based financing, small- and medium-sized banks must find ways to meet this growing demand. If not, they stand to lose not only the financing business, but



□ **THE AUTHOR**—Gregory J. Tamborello, assistant vice president of Associates Commercial Corporation's business loan division, is responsible for maintaining banking relations in Ohio, Indiana, Illinois, Wisconsin, Minnesota, North Dakota, South Dakota, Nebraska, Kansas, Missouri and Iowa. Mr. Tamborello joined ACC in 1975, with six years commercial finance experience, acquired after graduating with a bachelor of science degree in finance from Northern Illinois University in DeKalb.

Written Especially for  
THE NORTHWESTERN BANKER  
By **GREGORY J. TAMBORELLO**  
Assistant Vice President  
Associates Commercial Corporation  
Chicago, Ill.

also jeopardize the demand deposits, trust and retirement fund management business that often is associated with borrowing relationships.

### Special Expertise Required

There are a number of alternatives available to these banks for satisfying the demand for asset-based lending services. The most obvious of these is developing an in-house capability, which requires a considerable investment of time and capital.

Asset-based financing takes special expertise that is different from the techniques used in making unsecured loans or even certain traditional bank-secured loans where the lender has relied on a financial statement and has done little direct supervision. The principal difference is the importance of understanding the assets which secure the given loan. A secured lender must be able to expertly evaluate collateral before making a loan and then monitor the collateral to stay apprised of liquidation values throughout the term of the loan.

Secured lending also requires a more specialized knowledge of the industry in which the borrower operates. There are certain inherent risks involved in some industries that are best understood by experienced secured lenders.

Finally, from a legal standpoint, asset-based financing requires knowledge of various filing requirements and procedures to comply properly with governing laws. Even though the Uniform Commercial Code does exist in all states except Louisiana, lenders must be familiar with the filing procedures and case laws governing secured financing in each state in which they make loans.

For many banks, developing an in-house, asset-based lending capability would require an unwarranted commitment. All banks must seriously ask if the market area they serve justifies an expensive in-house capability.

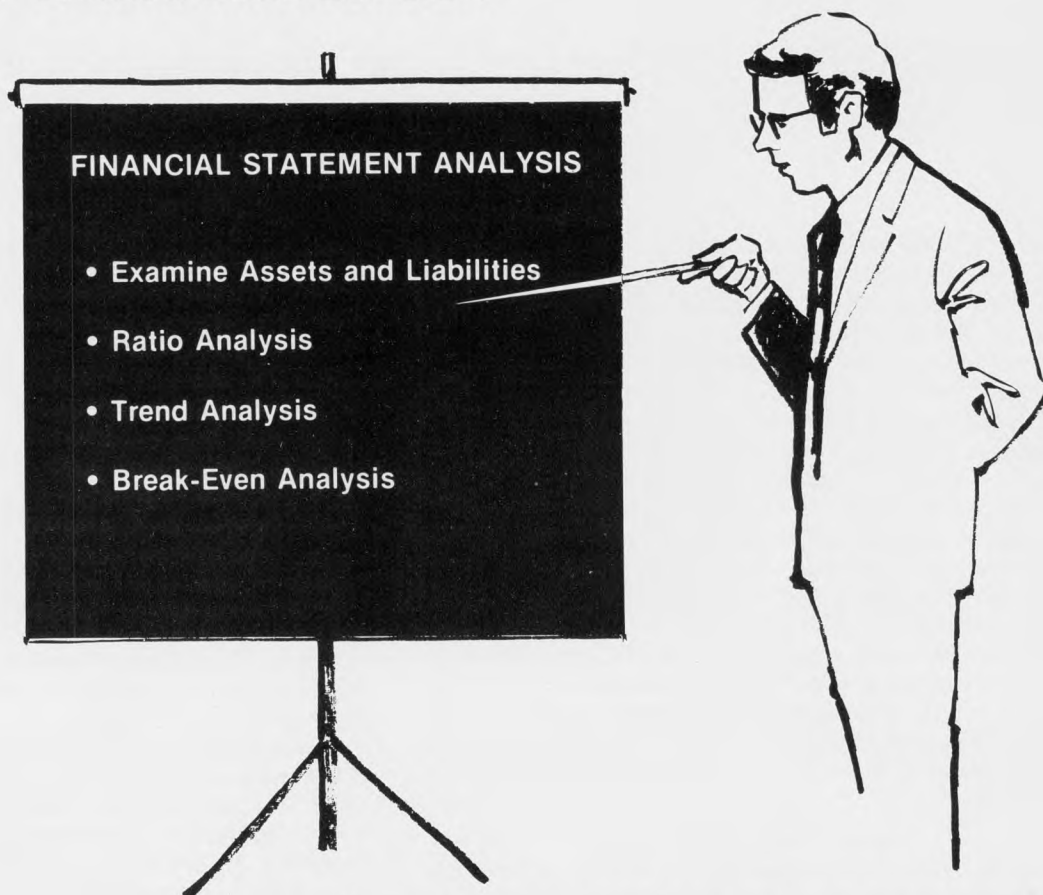
### Commercial Finance Alternative

For those banks that choose not to make the commitment, there is an alternative that is rapidly gaining acceptance—participation with independent commercial finance companies. This participation relationship provides the bank's customers access to all the exper-

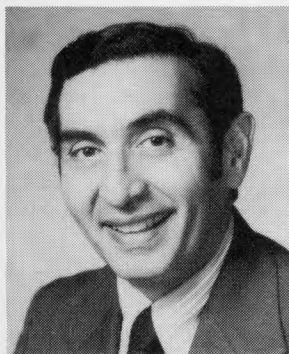
**ASSET-BASED FINANCING . . .**

(Turn to page 96, please)

# Financial statements:



... what do they reveal?



By **ROBERT D. MARAM**  
Vice President  
Lincoln National Bank  
Chicago, Ill.

**M**OST good analysts are aware that ratios and relationships such as the current ratio and the debt to worth can be valuable tools in trend analysis, especially in viewing these ratios with those of comparable firms.

While certain ratios and relationships are valuable we should not lose sight of the fact that they are by design quantitative in nature and, that if a rational credit decision is to be made, the assets or net worth from which our repayment is ultimately derived must be analyzed as to quality and liquidity as well as to quantity. The collection of receivables is based not as much as on the

amount of the asset as on the ability of our borrower's customers to pay their bills and the sale of inventory depends upon the composition and marketability of this inventory rather than the amount shown on the balance sheet. Although it is difficult to determine factors such as physical deterioration, market price fluctuations and obsolescence, a serious attempt should be made by the lender to determine a reasonable value of the assets at hand.

### Examine Assets and Liabilities

After adjusting the numbers to reflect the qualitative value of the items involved, the nature of the assets and liabilities should be examined in order to determine whether the resources at hand are sufficient to pay the bills as they become due. Case in point: Is there sufficient working capital available to meet current obligations? In order to determine the sufficiency of working capital one must understand the basic difference between its components; i.e. current assets and current liabilities. Current assets are sequential in nature and move in time steps ultimately into cash as the final step from production (inventory), sales (receivables) and finally and hopefully collection (conversion into cash). The time sequence from beginning to end depends upon

## “It is essential that we understand the causes for the changes that have occurred.”

the manufacturing process, the success of the sales effort and, finally, the time it takes to collect from the customer. Current liabilities, however, tend to be of a simultaneous nature as many of the firm's obligations tend to be due concurrently.

The sufficiency of working capital and the amount of a bank credit line which the company actually needs depend in part upon the time sequence of its working assets as measured against the demands of its trade and other creditors.

### Ratio Analysis

Entering the area of ratio analysis, in order to more fully understand what is really happening to a company and be able to identify the basic problems rather than the symptoms, it is imperative that the financial analyst appreciate the difference between causal ratios (ratios that measure and identify causes) and ratios that measure effect. It is the changes in the causal ratios which take us to the jugular, to the heart of the matter. Let us examine seven commonly used ratios.

Three of these—cost of sales to inventory, fixed assets to net worth (this ratio can be both causal and effect), and the collection period—tend to identify and measure causes while the other four, namely the current and quick ratios, debt to net worth and profit to net worth, tend to measure the effect of these other causal ratios. Let us take a few moments and observe how these ratios operate.

**1. The collection period**, a causal ratio, affects both the current and quick ratios in the following manner:

- Slowness in receivable collections may result in additions to the bad debt allowance which reduces net receivables.

- Slowness in receivable collections tends to slow payments to trade creditors and reduces working capital to the extent that the firm loses discounts that it could have taken if it had the funds. If the firm increases its bank borrowings in order to pay creditors it incurs interest charges which must be paid.

- The collection period affects the debt to worth, profit to worth, and fixed assets to worth because bad debt expense and interest expense have negative effects on profit and worth.

**2. Cost of sales to inventory**, another causal ratio, affects the current ratio since a low turnover rate due to abnormally high inventory may lead to mark-down of inventory due to physical deterioration, price fluctuations and obsolescence.

- In addition, due to the slow inventory turnover, payments to trade creditors may slow down and bank borrowings may have to be made in order to pay creditors. The interest on the borrowed funds reduces working capital.

- Debt to worth, profit to worth, and fixed assets to worth are affected since interest expense on borrowed funds and inventory write-down adversely affect profit and net worth.

**3. Fixed assets to net worth**, acting as a causal ratio,

affects the current and quick ratios in the following manner:

- Cash payments for fixed assets reduces current assets.

- Short-term liability incurred for purchase of fixed assets increases current liabilities.

- If long-term debt is incurred, the current portion of the debt increases current liabilities.

- The debt to worth ratio is affected by total debt increasing if fixed assets are financed: depreciation charge on purchased fixed assets and interest on money borrowed have adverse effects on net worth.

- Profit to worth is affected by the fixed asset to worth ratio since interest and depreciation charges have adverse effects on both profits and net worth.

### Trend Analysis

In order to determine the financial condition of a company and its ability to service its debt, it is essential that we understand the causes for the changes that have occurred rather than limit our examination to the symptomatic effects of these causes. Trend analysis can be quite revealing if we keep this point in mind. The trend of earnings and that of the financial condition of a firm is probably more revealing than its financial condition at a given moment. When performing trend analysis we often neglect the important relationship between the income statement and the balance sheet.

A systematic method of trend analysis must include the following:

**I.** Determine what parts of the balance sheet benefited or suffered from the increase or decrease in profits and/or sales. How much of the gain or loss is reflected:

a) In working capital?

b) In fixed assets?

c) In an increase or decrease in non-current liabilities?

**II.** Have these changes in the income statement strengthened or weakened the firm's financial position?

a) Rate of inventory turnover.

b) Rate of receivable turnover.

c) Relation of inventory to working capital.

d) Relation of debt to worth.

e) Relation of fixed assets to net worth.

**III.** If trends are unfavorable, attempt to determine:

a) Whether the unfavorable trend in earnings is due to sales, production or merchandising practices.

b) Why inventory is higher in relation to sales.

c) If collections are slowing. Why?

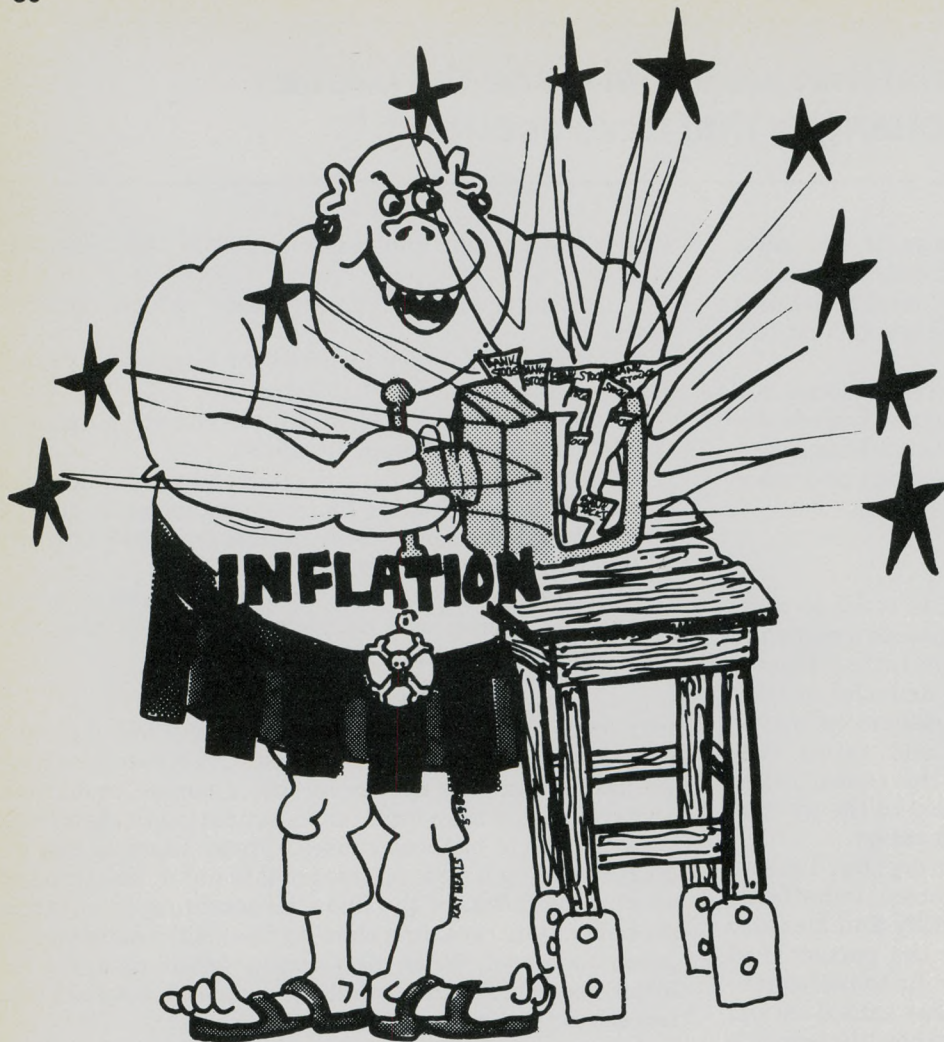
d) If the fixed asset expansion program has been justified by higher sales and earnings.

These are some of the questions that can be answered by good financial analysis.

Unfavorable trends do not at times show pronounced

**FINANCIAL STATEMENTS . . .**

(Turn to page 34, please)



## Inflation Squeezes Bank Stocks

**R** E P O R T E D bank profits have been in a strongly rising trend. The rate of return on equity, at about 14%, is close to a post-World-War-II high. Bankers are congratulating themselves on their fine performance, and the frowns that bank regulators used to wear when the bank loan losses were escalating some years back have changed back to deadpan. Only the stock market is striking a sour note. The growth of bank earnings has exceeded that of most corporations. Nevertheless, the market prices the stocks of many large American banks at four to six times earnings, well below the average for industrials. Quite a few large banks are selling at sharp discounts from book value. Does the market see something that the bankers and the regulators do not see?

### The Stock Market's View

The market could be skeptical of the condition of banks. Banks have had their share of troubles in the past, as with Real Estate Investment Trusts (REITs) and tanker loans. Today, concern might stem, for instance, from bank involvement in loans to developing countries. But past bad loans have on the whole been worked off quite satisfactorily. Present loss experience in international lending has been substantially better than at home. While concern about the condition of the banks was justified at the time of the Franklin and Herstatt failures in 1974, there is no obvious reason for it now.

The market could be skeptical also of the quality of

bank management. However, with the high regard that I have for the many bankers I have been privileged to meet, I can see no reason why their performance, as a group, should be evaluated by the market less favorably than the performance of industrial executives. So, there must be some other reason.

### Bankers' Doubts

Inflation might account for the low esteem in which banks are held by the stock market. On the surface, it could be argued that inflation must have been good for banks. Their reported assets have risen faster during inflation than during ordinary times. After all, the essence of inflation is an increase in credit and money, including bank credit and bank deposits. Interest rates are high, and many people believe that bankers profit from high interest rates. Of course, the banks lose something on their assets as money depreciates. But don't they gain it back from the depreciation of their liabilities? So it looks as if inflation is just money-in-money-out, and of no concern to the banker. That seems to be the view of the casual observer.

That inflation doesn't hurt banks seems to be argued on still other grounds. Bankers are blissfully free from the accounting problems of capital replacement and inventory that trouble industrial executives during inflation. They know that inflation distorts corporate accounting by generating fictitious profits from inventories and underdepreciation. Banks, having next to no

inventory or fixed assets, are immune to these pitfalls. So why should inflation hurt them?

### Banks Are Net Creditors

What some people seem to overlook is that bankers are net creditors. Once we focus on that fact, suspicion is bound to mount that it is indeed inflation that is ailing the banks. The banks are creditors, and creditors are born losers in inflation. Their paper assets are larger than their liabilities. Their capital, therefore, except for what little real estate and equipment they have, is also invested in paper assets. These paper assets depreciate with inflation. The bank's capital depreciates with them.

The banks add to their capital each year, of course, through retentions of profits. Recently, these retentions have amounted to some 8-10% of equity, after dividends of about 4-5% of book value. If these retentions exceed the rate of inflation, the book value of banks will rise in constant dollars. From 1972 to 1979, book value rose from \$55 billion (equity and reserves) to \$99 billion. Part of this 80% increase, although only a small part, is due to new stock issues and the like, but the great bulk is due to retention of profit. But during the same period the price level rose 74%. Thus, almost the entire increase in book value, and certainly all the retentions, were swallowed up by inflation.

Remarks by

**HENRY C. WALLICH**

Member, Board of Governors  
Federal Reserve System  
Washington, D.C.



... delivered at the recent  
*Accounting and Finance  
Conference of Bank  
Administration Institute.*

Bankers sometime point out that the same calculation can be made with respect to the book value of any industrial corporation. Since inventories and fixed assets are carried at cost, book value rises only with retentions unless there are new stock issues. So why single out banks for this calculation? Nobody worries much about the book value of corporations. Earning power is what counts. Why should banks be any different?

### Bank Book Value Means Something

The answer is that the book value of an industrial corporation and of a bank are indeed very different creatures. The present value of the fixed assets and inventories of a corporation can fluctuate widely. Carrying these assets on the books at historical cost is simply an accounting convention. Particularly with inflation, the market value of these "hard" assets, or at least their replacement cost, is bound to rise. When the price level has doubled or quadrupled, as it has in the United States since 1969 and 1945, respectively, the book value of fixed assets has indeed become meaningless.

A bank is very different. Its assets are primarily monetary. Its book value, therefore, is a fairly meaningful description of its value as an enterprise. Of course, the bank's market value may fluctuate above or below book value. If earnings provide a high return on book,

the market will pay more than book. For poor earnings, it will pay less, as it is doing today for a number of larger banks. Unfriendly critics have been heard to say that such banks are worth more dead than alive, i.e., they could be liquidated at a profit above their market value. Market value can and does differ from liquidating or book value, because nobody thinks of liquidating banks. But book value, nevertheless, is a much more meaningful indicator of underlying value for a bank than it is in the case of a corporation.

That is why it makes some sense to measure a bank's book value in terms of constant dollars. If over a period of years it has not changed significantly, this means that all the additions to capital, from retentions and otherwise, have just been sufficient to preserve its real value. In other words, the loss to bank capital from inflation has been about equal to the retentions.

### How to Calculate Inflation Loss

This very summary calculation can be made a little more sophisticated by allowing for the fact that banks usually own their buildings and perhaps some other real estate and equipment. For a large bank, these hard assets typically amount to about 1% of total assets or a little more than one-fifth of net worth. During inflation, the market value or at least the replacement cost of hard assets rises. The exact change may be difficult to measure, and in any case will vary among banks. But a not unreasonable approximation suggests that they rise with the general price level. One can reasonably argue, therefore, that the part of the bank's net worth that is matched by hard assets is in some degree protected against inflation. This means that about one-fifth of net worth of the average large bank is protected against inflation, while about four-fifths are exposed. Some banks may be able to improve on these relationships by making other "non-monetary investments."

Given these premises, it is difficult to avoid making the following rough calculation. If inflation is 10%, and if a bank's net worth is protected only to the extent of one-fifth against inflation, the inflation loss on the real value of the bank's equity amounts to 8% of net worth. This loss needs to be deducted from the bank's rate of return on net worth. This, as noted before, recently has been about 14% of net worth. Therefore, about 6% is what is left after this inflation adjustment. If the bank paid a dividend of about one-third of its earnings, i.e., 5% on capital, it was paying out, in fact, most of its real earnings. The 9% that it thought it was adding to net worth was almost all absorbed by inflation.

### The Painful Truth

Many bankers may have been able to ignore these unpleasant implications. The stock market has not. The stock market seems clearly to have observed the damage that inflation is doing to banks, and has remained quite unimpressed by the seemingly glowing earnings reports.

I need hardly tell you that if I were a banker, I, too, would prefer not to take account of these unpleasant matters. It is discouraging, having worked hard, to find that the results, inflation-adjusted, are poor. It is even harder if my pay or bonus were to be based on inflation-adjusted earnings. I would much prefer to believe that the damage that the stockholder had suffered, in terms of the price of his stock, was due to the vagaries of the

**“Inflation loss on the bank’s net monetary asset position is very real.”**



stock market than to anything I had done or failed to do.

Efforts to ignore the impact of inflation and reject the adjustment of bank statements and particularly earnings for inflation have, of course, a very respectable ancestry. In 1977, the Inter-Association Committee on Bank Accounting (IACBA) undertook a massive study of inflation accounting for banks, employing the research of three separate advisory groups (Arthur D. Little; Peat, Marwick, Mitchell & Co., and Robert Morris Associates). The IACBA arrived at the conclusion that there was no need for any changes in bank accounting to reflect inflation. Characteristic of this view is the following quote from one of the study papers (Peat, Marwick, Mitchell & Co., page 3): “General purchasing power reporting is neither necessary nor desirable in the financial statements or as supplemental data. The capital maintenance concept appropriate for bank accounting and reporting is financial capital in units of money.” If this is accountants’ language to say that a bank is maintaining its capital if, after years of inflation, the equity account shows an unchanged number of dollars, some bankers and some accountants will one day have an unhappy awakening.

### Enter FASB

More recently, however, the Financial Accounting Standards Board (FASB) added to its accounting standards a requirement that large banks make a supplementary statement in their annual reports showing selected financial data adjusted for the effects of changing prices. This mandate applies to about 150 bank holding companies and 20 savings and loans or savings and loan holding companies with assets over \$1 billion. Annual statements now becoming available contain this information, usually somewhere in the back pages and sometimes accompanied by cautionary language explaining that it does not mean anything. The classical comment along these lines that sticks in my mind is: “We believe these numbers are not relevant in managing the business of the corporation.”

FASB’s principal inflation adjustment technique applicable to banks, known as constant-dollar accounting, does in a sophisticated way what my simple rules of thumb employed at the outset have attempted to do. They take account of the net creditor position of the bank, known as the net monetary assets position, and arrive at a broad measure of the inflation loss by applying the consumer price index to this magnitude. As noted, the net monetary asset position broadly speaking is equal to the bank’s capital minus hard assets (and also minus certain financial assets treated as the equivalent of hard assets). A second and much smaller adjustment is added, in the form of an upward revaluation of the small volume of a bank’s non-monetary assets—build-

ing, equipment, and a few others—and an upward restatement of depreciation on the revalued non-monetary assets. The net effect of these adjustments is that allowance for the hard assets improves the bank’s profit picture but that this improvement is far outweighed by the relatively large loss on the net monetary asset position and the—unusually minute—increase in depreciation charges.

### Why Are These Techniques Rejected?

What are the reasons that so many of the critics and mandated practitioners give for their apparent rejection of these techniques, other, of course, than that they do not like the results? One is that the techniques were developed for industrial corporations with heavy fixed assets and/or inventories. Many, though not all, such corporations are net debtors. That is, financial (monetary) assets are less than their debt; their (non-monetary) fixed assets and inventory, therefore, are larger than their net worth. Applying the inflation adjustment to this negative net monetary asset position, therefore, produces a gain from inflation. The adjustments made to fixed assets, by raising depreciation, and to inventories, by putting them, in effect, on a LIFO basis, reduce profits. Which of the two adjustments outweighs the other varies from corporation to corporation, in accordance with the degree of leverage. Heavily leveraged corporations usually show an inflation gain from this method.

Bank accountants seem to be of the opinion that this technique is appropriate for corporations but inappropriate for banks. Banks lack sizable non-monetary assets and, therefore, tend to be net creditors. In my opinion, the opposite is correct. I have grave doubts about the appropriateness of considering the gain from a negative net monetary asset position, i.e., from being a debtor, as a true gain worthy of being included in the income account. It produces no cash flow, cannot be used to pay taxes or dividends, and is at best a factor enhancing the corporation’s market value in a very broad sense.

For a bank, these considerations are irrelevant. There are no significant non-monetary assets to revalue and depreciate. But the inflation loss on the bank’s net monetary asset position is very real. A bank stockholder is very much like a stockholder in a bond fund or money market mutual fund, except that he is heavily leveraged. The latter knows that the underlying assets are losing their purchasing power and that he can preserve the purchasing power of his own investment only if these assets produce a rate of return in excess of the rate of inflation. The same is true of the bank stockholder: Unless the return on equity exceeds the rate of inflation—with some allowance for hard assets—his investment is losing purchasing power. That is why the supplementary inflation-adjusted statements for banks make a good deal of sense.

### Some Concluding Questions

These conclusions, if they are valid, pose a vast range of questions, running from the value of bank stocks to regulatory policy with respect to bank capital and bank expansion and to the financing of our economy. Here I shall deal only with the narrowest implications concerning bank profits.

1. One very obvious implication about which the banks unfortunately are unable to do anything relates to

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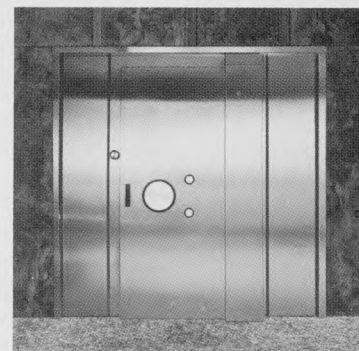
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**“Banks pay out more in taxes than the legislator, unaware of inflation, intended them to pay.”**



taxes. If bank profits adjusted for inflation are smaller than unadjusted profits, banks obviously pay out more in taxes than the legislator, unaware of inflation, intended them to pay. Banks share this fate with non-financial firms. Since banks already pay a lower effective tax rate than most nonfinancial firms, it would come with poor grace from them to be the first in demanding relief. On the other hand, the tax overload from inflation is well known in the case of corporations. Legislators have tried to compensate by devices such as accelerated depreciation and the investment tax credit, neither of which is of significant value to banks.

2. Larger holdings of hard assets on the part of banks might be a means of defending their capital, at least in an accounting sense. Since banks must not become manufacturing corporations, such hard assets presumably would have to be limited to real estate—except perhaps for assets that can be owned for leasing purposes. The historical record of bank real estate investments is not particularly encouraging. Moreover, regulators have strongly discouraged investment in bank buildings, at least initially, in excess of 40% of capital, although member banks are allowed to invest in their bank

premises to an amount equal to their capital stock. Even poorly selected investments would give banks some protection against the adjustments required by FASB, because they would reduce the net monetary asset position, but they would be a menace to both a bank and its depositors and stockholders.

3. Inflation-oriented pricing of bank credit and services is another possibility. Banks could achieve a rate of return sufficient to compensate for capital attrition from inflation if they were to price accordingly. There is some evidence, in the recent gradual upcreep of the rate of return, that banks are trying to cope with the problem of capital attrition in this manner. But at present rates of inflation they are still far from achieving this objective. On the contrary, there is a widespread impression among the public (and some regulators) that banks are making enormous profits. Higher profits, even though modest after adjustment for inflation, might arouse widespread public criticism. Bankers are doing themselves little favor by not educating the public (and themselves) to the realities of bank inflation accounting.

4. Lower dividends would be still another line of defense. Retentions could be raised, in the unrealistic case of total omission of dividends, up to equality with the rate of return. This would protect bank capital at least so long as the rate of return on capital remained in excess of the rate of inflation. It would be poor comfort for the stockholder, of course, to know that his principal was protected only by denying him the fruits of it. However, so long as the payment of dividends does not lead to price levels for bank stocks at which new equity issues become a realistic possibility, dividends seem to serve no functional purpose from the point of view of the bank. □

## FINANCIAL STATEMENTS . . .

(Continued from page 29)

negative effects between one year and the next but rather tend to become progressively pronounced over a period of time. The analysis of a company through the use of a statement of application of funds (the funds flow statement) is of significant value in determining the causes of the changes in net working capital. However, analysts usually limit its use to the changes between individual succeeding years. By creating a multiple-year single statement of changes the major cause or causes for trend deterioration can be vividly shown and proper action by the lender can be taken.

### Break-Even Analysis

For many of us, break-even analysis, while fine in theory, has an esoteric quality about it which does not readily lend itself to the analysis of the type of financial statements which we are accustomed to examining. While it is true that it is often almost impossible to fully determine the variable and semi-variable components of certain expenses, a financial analyst must not put his head in the sand and avoid the issue entirely because he doesn't and can't know all the answers.

He should, rather, heed the words of the writer Samuel Butler who said, in effect, that the purpose of life is to make intelligent decisions based upon incomplete information. We do not have to be total experts in business or credit analysis to understand that the trend of earnings of many companies, especially manufacturing

concerns, tends to increase at a sharper rate than the increase in sales volume or decrease at a sharper rate than the decline in volume due to the heavy fixed overhead costs that these companies have to absorb.

While it is true that perhaps break-even analysis is more relevant to industrial concerns with a heavy investment in plant and equipment, it also can be relevant in other types of concerns. How often have we assumed that the owner or owners of a business who are drawing high salaries and/or dividends from the operation when business is good can subsequently reduce their income when business declines? How often have we viewed these salaries as somewhat variable without our knowing or even asking what personal debt servicing requirements these individuals actually have?

Break-even analysis, especially during time of economic uncertainty, plays an important role in the credit decision process.

### Conclusion

There is a tendency for analysts of financial statements to emphasize certain ratios and relationships over other because (1) the ratios they emphasize may be the most relevant, (2) they feel more comfortable with these ratios and conversely less comfortable with the others. The fact is that the type of analysis which should be performed depends upon the situation at hand. □

(Mr. Maram presented his talk, "Financial Statements: What Do They Reveal?" recently at the Illinois Bankers Association Commercial Credit Conference in Champaign, Ill.)



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**AWARDS** for best guessing of future interest rates at the last Continental Bank Seminar in Des Moines were presented at this year's seminar by **Tom Elyea** (left), v.p. of host bank, to **Jack Hix** (center), pres., 1st Nat'l., Waverly, and **Ray Johnston**, pres., Central Nat'l. B&T, Des Moines. **RIGHT**—Two of the hosts with several guests are, from left: **Larry Frowick**, v.p., Continental Bank; **Rand Petersen**, pres., Shelby County State, Harlan; **John Figge**, pres., Davenport B&T, Davenport; **John Tingleff**, v.p., Continental Bank; **Scott Fetner**, pres., Nat'l. Bank of Waterloo, and **Tom Figge**, exec. v.p., Davenport B&T.

### At Continental Bank Seminars—

## Bankers Have Tough Decisions to Make

By **BEN HALLER, JR.**  
Editor

**F**IVE Correspondent Bank Seminars were conducted this year by Continental Bank of Chicago, continuing a series initiated by the bank several years ago. This year's seminars were presented in Madison, Wis.; Des Moines, Ia.; Chicago and Decatur, Ill., and Indianapolis, Ind. More than 1,000 attended the five seminars.

The timing of the 1980 Seminars coincided with some historically important events on the economic scene—passage and signing of the Bank Omnibus Bill (HR 4986), further implementation of President Carter's credit restriction package to fight inflation, and a distinct downturn in the economy that is heading for a slight or serious recession, depending on which economists and observers are heard.

Topics discussed at the Continental Seminars were geared specifically to current concerns of bank management: Challenges and Strategy in Banking; Pricing: A Key to Retail Profitability; Management—A Rational Discipline?; Liability Management; Agriculture—A Lender's Perspective, and Intermediary Services for Mortgage Lenders. Officers of the bank directly involved with the management of each of these topics presented the talks.

Each registrant was given a folder of materials supporting the talks so further review could be done more leisurely at home. Included was a copy of Continental's Mid-April Economic Review tape cassette, a series sent out monthly by the bank's economics department.

In the opening talk on Strategy in

Planning, Alex Pollock, vice president and head of corporate planning, presented many slide charts, one of which shows factors in bank selection by customers. Continuing studies, he said, show that customers list "convenience" with 56.9% of the vote, "other reasons" 28.5%, and "price" only 14.9%. "In general," he stated, "what the consumer is looking for is a reasonable price—'am I getting value received for my dollars?'" Most customers do not move accounts for price, but due to mismanagement of their account," Mr. Pollock said.

John Tingleff, vice president in charge of the financial institutions division, which handles midwest correspondent banking, presided at a question and answer panel participated in by several bank speakers, plus two community bank officers from the audience. A great number of the questions revolved around the changing structure of banking. Mr. Tingleff said, "We can't afford the luxury of looking only at a single bill, law or event—it's the trend developing that is significant. Banking is not an industry unto itself but is in the finance delivery service business. All our services can be performed by one or more competitors—but we're more regulated than any of them."

The pricing and processing procedures connected with NOW accounts were of special interest to the audiences.

A Continental spokesman said he sees rates bottoming out by spring, 1981, with inflation running at the 8-9% level, Fed funds at 8% and a prime ranging from 6% to 9%. □



**PANELISTS** for Des Moines seminar included, from left: **Don Runger**, pres., Jasper County Savings, Newton; **Dave Taylor**, pres., Iowa T&S, Centerville; **John Tingleff**, v.p., Continental Bank, and moderator of panel; **Bill Kundert**, 2nd v.p., and **Robert Vasko**, v.p.-agri., both with host bank.

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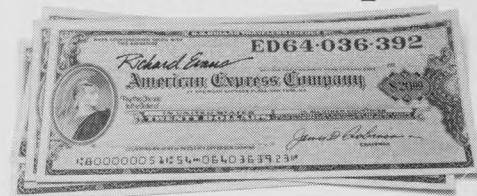
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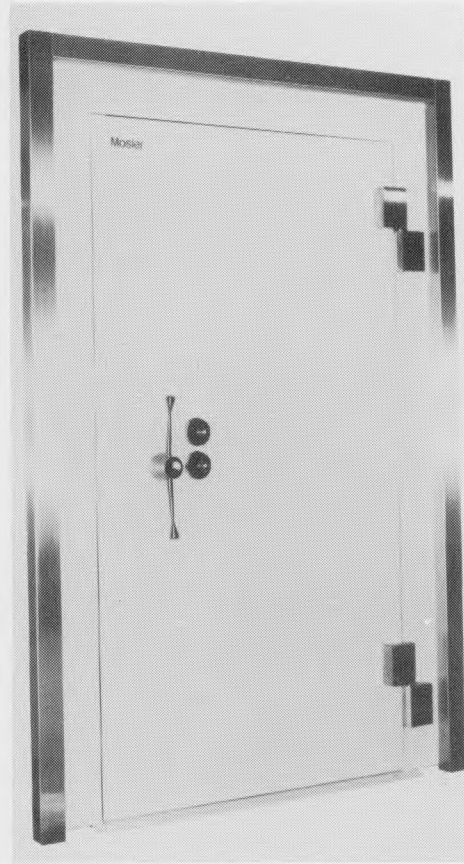
## What's New

**T**HE Mosler Safe Company of Hamilton, Ohio, has introduced the new 3½" Econo Door with suggested application for financial establishments and commercial businesses.

The Econo Door is offered in either 36" or 42" clear opening models with 180° door swing (right or left). The 120-hour triple-movement timelock has anti-concussion overwind, instantaneous drop and magnifying lens over each dial. The locking system incorporates two four-tumbler U.L.-listed combination locks with "counterspy" dials.

Equipped with a rod-style daygate for "working hours" security, the Econo Door also has a U.L.-listed emergency vault ventilator mounted in the door frame. Standard are a contemporary-styled, satin finished, two spoke handwheel, 3" wide brushed stainless steel box-styled architrave, and a U.L.-listed relocking device.

Mosler's Econo Door qualifies for 6R Bank Vault Classification when equipped with dual combination



Mosler's Econo Door.

locks, three movement timelock, lockable daygate and when vault is secured with 18" reinforced concrete stone walls (5R with 12" reinforced walls). It meets all B.P.A. and I.S.O. requirements.

**T**O AID mortgage lenders in the current housing market, MGIC Investment Corporation, Milwaukee, has prepared a seminar program that lenders can use to attract and inform potential first-time homebuyers.

The key item, according to William Lacy, vice president of MGIC, is an 18-minute slide presentation that shows the steps—and advantages—of acquiring a home. Both the slides and a professionally narrated tape are provided by MGIC, the nation's oldest and largest private mortgage guaranty insurer.

A booklet written specifically for the consumer explains how an insured conventional home loan can cut the down payment in half. For instance, Mr. Lacy says, on a \$36,000 home, the standard down payment is often 20%, or \$7,200. However, he adds, insurance can slash that down-payment to 10% or \$3,600.

Mr. Lacy says that the seminar kit includes a house affordability table that allows the lender to determine and respond immediately to questions about what price range a potential homebuyer could afford, based on income. The table requires only three variables: interest rate, term and down payment.

Particularly helpful for lenders, Mr. Lacy explains, is an eight-page booklet on "How to Conduct a Homebuyer Seminar." The booklet covers planning, presentation, promotion and follow-up. One page is devoted to budgeting the cost, which can vary from the site and materials to advertising and personnel.

For potential buyers, Mr. Lacy says, the kit contains a consumer-oriented pamphlet that explains the estimation of monthly principal and interest payments and the tax benefits involved in owning a home. Also available for distribution is a "Homebuyer Checklist" that itemizes about 60 factors, including major considerations about the house itself and the neighborhood.

A sample advertisement and a suggested news release are also contained in the MGIC homebuyer seminar program.

**T**WO essential products—a coin dispenser and adding machine—at teller windows of banks, savings and loans, credit unions, retail store service offices and other coin handling locations are combined into a single, compact system announced recently by Brandt, Inc.

The new Model 580 CASHIER® coin dispenser saves time and space in managing transactions and basic calculations on the spot, while reducing chance of teller error. Measuring just 9 inches high by 10¾ inches wide by 11¾ inches deep, it fits conveniently in minimum space and allows



Brandt's Model 580 Cashier combines coin dispenser and adding machine capabilities.

the teller to face the customer continuously for increased security and more personal attention as well.

The eight-digit electronic display indicates both change dispensed and the balance due to the customer. The teller may dispense the desired change portion of the calculation automatically, without re-keying the information, or may interrupt calculations to dispense the coin and then return to the calculations.

A display flash alerts the teller to a low coin channel in the coin magazine. Featuring an acrylic cover to prevent pilferage, the magazine disengages easily, without coin removal, and re-attaches quickly. Newly designed calibrated strips allow fast, accurate balancing of coins in each channel.

The Brandt Model 580 dispenses the dollar coin as regular change with pennies, nickels, dimes and quarters, thus eliminating time required for counting singles by hand. It dispenses up to \$4.99, always using the least amount of coin, and supplies split change for the quarter or dollar upon command.

# American Express doesn't take weekends off.

We're there  
when your customers  
need us.

Whether it's Sunday in California or Dimanche in Quebec, your customers can find help if their travelers cheques are lost or stolen.

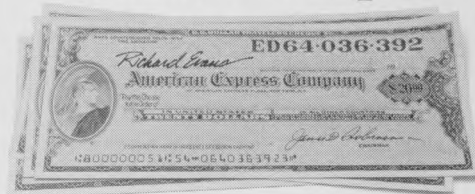
Because by simply calling us toll-free, they can arrange for an Emergency Refund<sup>®</sup> at participating Holiday Inns throughout the U.S. and Canada. A refund of up to \$100 to tide them over until normal business hours resume—when they can get the balance of their refund.

American Express<sup>®</sup> Travelers Cheques.

Because our refund system doesn't take naps on Saturdays or Sundays, your customers can get refunds any day of the week.



American Express  
Travelers Cheques



## Correspondent Bank Unit Created as Citicorp Subsidiary

**A** NEW subsidiary, Correspondent Resources, Inc., has been created by Citicorp to provide capital, management and technological resources to the independent correspondent bank marketplace, it was announced recently.

Alan J. Weber has been named president of the subsidiary, which was known as the Independent Correspondent Banks division of Citibank. Mr. Weber had been a senior vice president of Citibank and head of the division.

The subsidiary will provide a "broad range of innovative services to customers including education and training programs, funding, consulting and data processing, and other traditional support services," Mr. Weber said.

Donald A. Winkler, national business manager for the subsidiary, said several branch offices already have been opened, including offices in New York, Orlando, Houston and Chicago. A fifth will be opened early this fall in Minneapolis, and a sixth office will be opened early next year in Los Angeles.

"We believe this regional organization will enable us to better understand our customers' environment and respond to their needs more effectively based on first-hand knowledge and actual experience," Mr. Winkler stated.

Mr. Weber said that through its new marketing approach, Correspondent Resources, Inc. "wants to be recognized as the pre-eminent resource for capital, management and technological needs by independent correspondent bankers.

"As a subsidiary, we will have the advantages of an entrepreneurial climate, new business opportunities, strategic geographical locations and independence," he said.

Mr. Weber pointed out that one key to his customer-oriented management concept is the "consultative selling" approach.

"We'll not only offer a single product or service, but a solution to profitability problems. And that will

come from our in-depth understanding of their business, their needs, and their objectives," he added.

Joseph A. McChristian Jr., assistant vice president and relationship manager, has been assigned to the Minneapolis office. He will move there later this summer from New York, where he has been assistant vice president in Citibank's correspondent bank section. The Minneapolis office will serve Minnesota, Iowa, Missouri, Nebraska, South Dakota, North Dakota, Montana and Wyoming.

Mr. McChristian joined Citibank in 1977 as operations manager in the services management group. In 1978 he became an operations head of the



**J. A. McCHRISTIAN**

## Banking Leader Walter Bimson Dies at 88

**W**ALTER Reed Bimson, who brought Valley National Bank of Arizona to a position of national stature while giving major economic impetus to the growth of Arizona, died April 27 at his Scottsdale home. He was 88.



**W. R. BIMSON**

Mr. Bimson retired from the bank December 31, 1970, after 17 years as chairman of the board and 20 years as president, concluding a 60-year career as a pioneering banker.

During his lifetime, he was known and respected not only as a banker, but also as a community leader, humanitarian, sportsman and friend of the arts.

His most recent honor came in February when he was named president of the Governor's Arts Award in the first year of its inception.

Mr. Bimson is survived by his wife, Isobel; a son, Earl, who is a member of the VNB board of directors and a former president of the bank, and a brother Carl, who retired as vice chairman of the board in 1970.

For almost 40 years, Mr. Bimson directed the growth of Valley National Bank from its \$6 million in deposits when he took it over in 1933 to its billion dollar statewide status when he retired in 1970. He took the

group. He was named an assistant vice president in 1979 and was with the central check processing department of the financial and information services group. Mr. McChristian has joined Correspondent Resources, Inc. to develop and manage correspondent banking relationships.

A native of Florida, Mr. McChristian is a Distinguished Graduate of the U.S. Military Academy, West Point. He served later as an officer in a variety of command, staff and special assignments. He was awarded the Bronze Star with two oak leaf clusters, Air Medal, Joint Service Commendation Medal and Army Commendation Medal. He has earned a masters degree in economics and finance from the University of Paris and has pursued doctoral studies in economics at Princeton University, as well as graduate studies in French.

small bank from near insolvency to its current prominent national position with "maverick" ideas that helped change the face of banking nationwide.

He served as president from 1933 to 1953 and chairman for another 17 years, but the groundwork for his successful service as bank president and community builder began in his native Berthoud, Colo., where he started his banking career at age 18. He soon learned that only those who don't actually need the money were the only ones eligible for loans. Five years later, at the age of 23 in 1915, he moved to Chicago to study on campus at the University of Chicago the economics degree studies he had pursued by correspondence. After World War I he joined Harris Trust & Savings Bank of Chicago where for 12 years he was involved with business promotion, advertising, public relations, organizing a personnel department, commodity credit and foreign banking.

In 1932 while on a bank mission to Arizona he was offered the presidency of the struggling Valley National in Phoenix. The salary was "pitiful" but the job also offered attractive stock options on the instalment plan. He ignored the warnings of fellow officers at Harris Bank, some of whom pointed out that even if deposits

**WALTER BIMSON . . .**  
(Turn to page 119, please)

# American Express doesn't take holidays.



**We're there  
when your customers  
need us.**

Whether it's Easter in Miami Beach or Dominion Day in Montreal, your customers can find help if their travelers cheques are lost or stolen.

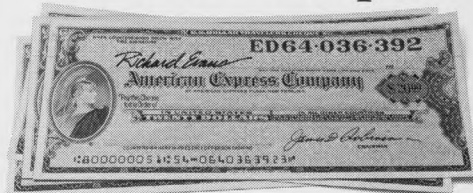
Because by simply calling us toll-free, they can arrange for an Emergency Refund<sup>®</sup> at participating Holiday Inns throughout the U.S. and Canada. A refund of up to \$100 to tide them over until normal business hours resume—when they can get the balance of their refund.

American Express<sup>®</sup>  
Travelers Cheques.

Because our refund system never takes a day off, your customers can get refunds any day of the year.



**American Express  
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Northwestern Banker, June, 1980

## 1st of Chicago Offers High Yield to Small Investors with \$1,000 Minimum

A SHORT-TERM, higher yielding instrument for small investors was introduced May 6 by First National Bank of Chicago. Robert D. Richley, senior vice president and head of the Chicago banking department, said the delay from the initial offering date of May 5 was at the request of the Comptroller of the Currency, who raised questions that he wanted clarified before the new product went on the market. The Comptroller said on May 5 he had "no objection" to the bank offering its First Rate Investments, as the product is tabbed, but is continuing to review certain aspects of the program.

Investors may purchase face amounts as small as \$1,000 for 90 to 180 days, with interest based on prevailing money market conditions. The yield will be established daily and can be obtained from a special First of Chicago number. Mr. Richley said the new instrument on May 1 for \$1,000 on a 90-day FRI would have been 11%, comparable to 10.79% on a three-month T-Bill and nearly double the 5¾% maximum allowed on a 90-day passbook or savings certificate.

Mr. Richley said FRIs will be purchased at a discount. At maturity, the full face value will be deposited into the customer's checking or savings account at First National. They are not transferable and must be held to maturity, he said. Mr. Richley also stated First National Bank of Chicago will unconditionally pay the full face amount of the investment at maturity from general funds of the bank. FRIs, he noted, are not deposits and are not insured by the FDIC.

### 1st in St. Louis Launches Economic Progress Forums

First National Bank in St. Louis sponsored an economic development forum focusing on the Port of Metropolitan St. Louis, May 21 in St. Louis.

Clarence C. Barksdale, chairman of the board and chief executive



C. C. BARSDALE

officer of the bank, said that the First National Bank in St. Louis Economic Development Forum: An Examination of the Port of Metropolitan St. Louis, is the first in a series of economic development forums to be sponsored by the bank.

Topics to be addressed in subsequent bank sponsored forums will concern economic issues of importance to the greater St. Louis metropolitan area.

Mr. Barksdale stressed that the purpose of the forums is to bring together the public and private sectors of the St. Louis metropolitan area in an effort to "encourage interest controversy or debate; to serve as a catalyst for further development."

### Heller Reports Record First Quarter Figures

Walter E. Heller International Corporation, Chicago, has reported that first quarter earnings from its worldwide financial services reached an all-time high, with both finance and banking operations achieving record income levels. Record first quarter levels were also reached in employment of funds by finance units, and average loans and deposits at the American National Bank subsidiary. The company also increased its quarterly dividend to 32½ cents per common share from the previous 30 cent rate, as previously announced.

Franklin A. Cole, Heller chairman, said net income rose 13.6% to a record high of \$9.8 million versus \$8.6 million earned in 1979. After preferred dividends, common share earnings for the first quarter were up 12.3% to a record level of 82 cents from 73 cents for the comparable 1979 period (fully diluted 81 cents versus 72 cents).

There were 11,785,542 average common and common equivalent shares outstanding during the first period compared with 11,624,537 shares in 1979.

Mr. Cole said that earnings for the three months ended March 31, 1980, were derived as follows:

- **From finance** (commercial fi-

nance and factoring provided by Walter E. Heller & Company and Walter E. Heller Overseas Corporation), an all-time high of \$7.7 million, up 15.2% from \$6.7 million last year.

- **From banking** (American National Bank and Trust Company of Chicago), a record \$5.345 million before security transactions, up 12.9% from \$4.736 million in 1979. Net income after security transactions for the first quarter was \$5.350 million, 25.7% above the \$4.257 million earned in the corresponding period last year.

### MHT Leads Venture in Modern Portfolio Theory

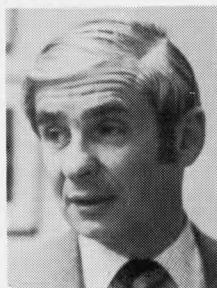
Manufacturers Hanover Trust Company, New York, has announced a venture with several of the nation's leading specialists in the money-management field of applied modern portfolio theory.

The new subsidiary, Modern Portfolio Theory Associates, Inc., represents the largest concentration of experts in that field of money management and the only group of its kind affiliated with a major bank.

The new firm will offer investment management services using quantitative analyses based on the body of mathematical knowledge known as modern portfolio theory to support its fundamental portfolio manager judgments. MPT services will be offered to major accounts such as pension plans, endowments and foundations. In addition, access to the firm's analytical information may also be made available to clients who manage their own accounts.

As an independently managed subsidiary of Manufacturers Hanover Trust, the new venture is designed to appeal to the market served by specialized advisors rather than by bank trust departments. In addition to its own accounts, Modern Portfolio Theory Associates will serve clients of the bank who are interested in applying MPT methods to portions of their funds. The firm's specialized expertise will also be available to the MHT trust division for testing simulated return-and-risk effects of various portfolio approaches.

Manufacturers Hanover is providing initial capital, computer facilities, research and operational back-up services to the firm.



F. A. COLE



# Too often, commercial overline requests get put in their place.



They get filed away. Forgotten. Politely ignored. The correspondent banker, who was all ears when you wanted to talk non-credit services, suddenly isn't listening.

At Continental Bank, we'll listen to anything. That's right. Anything. Commercial customers mean a lot to our correspondents. And our correspondents mean a lot to us.

So, we set out to accommodate. The loan might not be as well-documented as many banks would like. The risk might be higher. The profit, lower. But if you're ready to go to the legal limit, you've got

every right to expect us to hear you out.

And answer you quickly. At Continental, you get the decisiveness you expect. And deserve. Your credit request isn't bogged down in redtape. Or held up in committee. It goes directly to your account manager — the officer who can authorize most loans. So, you get a decision, fast, from the person who made it.

Call John Tingleff at (312) 828-2191. Tell him you want to discuss commercial overlines. Then, start talking. You can be sure we're listening. It's what you expect from a top correspondent bank. At Continental Bank, it's reality.



## CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago  
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By joining hands we can do a lot better for our customers and ourselves.

National Boulevard can help augment your banking operations, expanding the scope of existing services and implementing new ones for your respondent customers.

Our "One-On-One" correspondent banking professional works closely with his coun-

terpart at your bank. His job: to coordinate financial resources, facilities and capabilities for maximum benefit.

At National Boulevard there's only one way—the One-On-One way—for us to work together. And when we do, we make a combination that's practically irresistible—and highly profitable.



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MEMBER FDIC

## Illinois

G. Weir, pres., Chicago  
W. J. Hocter, exec. v.p., Chicago



### New President Takes Post At Peoria Heights Bank

William C. Robinson has been promoted from executive vice president to president of The Heights Bank, Peoria Heights. He succeeds John D. Pearl who will continue as chairman of the board. Mr. Robinson joined the bank in April, 1978.

Other officers include A. Gale Youngman, cashier, and Mark D. Klawitter, loan officer.

### CONVENTION REPORT

The Illinois Bankers Association convention was underway as this issue was mailed. The complete report with pictures will appear in the July issue.

### Two Promoted at Northbrook

The Northbrook Trust & Savings Bank recently approved two promotions, according to Larry G. Gillie, president and chief executive officer.

Mary Jane Walter was elected assistant vice president and will continue as personnel director, which she has been since joining the bank last year. She came to the bank from Irwin Union Bank & Trust of Columbus, Ind., where she was associated for five years.

Vicky L. Walker was appointed operations officer. She joined the bank in 1974, has had supervisory experience in both proof and book-keeping departments and is now the head of the proof department.

### La Grange Bank Expands Office

Construction has begun on the expansion of the Western Springs office of the First National Bank of La Grange.

Located at 1013 Burlington Avenue at the west end of Western Springs' downtown shopping district, the office is being enlarged to include four drive-

in lanes and a 21-car landscaped parking lot for customer convenience. Diebold teller equipment will be used throughout.

Ruth Dedek is assistant vice president and manager of the Western Springs office. Completion is anticipated by mid to late August. Architectural renderings of the expansion are on display in the lobby of the facility.

### Rockford Bank to Assist Business Development Program

Ground breaking for the \$900,000 Broadway Business District Redevelopment Program was held last month in Rockford, according to Ronald R. Harkness, president of the Broadway Business Association.

Mr. Harkness, assistant vice president of City National Bank & Trust Co., Rockford, also announced the City Bank "10/10 Program," a low interest loan designed to assist merchants and land owners in the redevelopment area to rehabilitate their businesses and properties. The "10/10 Program"

offers a loan at 10% simple interest with monthly payments up to 10 years.

### Named Directors at Elmhurst

The York State Bank & Trust Co. of Elmhurst has announced the addition of two new members to the board of directors, E. Paul Lanphier and Edward Zell.

Mr. Lanphier is an attorney and practices law in Elmhurst. Mr. Zell is the owner of a chain of gift shops, with stores in Hillside, Oak Park, Chicago and Boston, Mass.

### Promoted at First Galesburg

Richard M. Bishop, president of the First Galesburg National Bank, has announced the promotion of John E. Sircy to assistant operations officer with responsibilities for accounting policy, tax and insurance administration and the research, planning and development of various internal systems.

Mr. Sircy is a 1978 graduate of Knox College where he majored in economics and business administration. He formerly was a loan interviewer in the instalment lending department of the bank.

### Philip N. Peterson

Funeral services were held recently for Philip N. Peterson, 78, a prominent retired banker. He lived more than 30 years in Rockford and served as president of the First National Bank & Trust Co. there for 20 years until his retirement in 1963.

## Rolling Meadows Bank Plans Office



**GROUND** was recently broken for the new facility of Suburban Bank of Rolling Meadows to be located at the corner of Euclid and Kennicott Avenues in Arlington Heights. Officials participating were, from left: **Gary Shevik**, project mgr. of Pepper Const. Co.; **Gerald F. Fitzgerald Jr.**, sr. v.p.; **Alvin S. Carlsen**, pres., and **Willis A. Glassgow**, pres., affiliated Palatine National Bank. The new 10,000 square foot office will be the bank's first facility.



**T**HE board of the Bank of Commerce & Industry recently promoted one officer and elected two others, according to **Donald B. Houder**, president.

**Patrick W. Dooley** was elected senior vice president-loans responsible for commercial and instalment lending activities. He joined the bank in 1975 and has served as assistant vice president and vice president in the loan department. He has a BS degree in business administration from Indiana University.

**Ann Marie Baumann**, elected assistant cashier, will continue to supervise the bookkeeping department, which she has headed since 1977. She joined the bank in 1974.

**Susan M. Jensen** was elected an officer and promoted to administrative assistant to the president. She started her banking career in 1976 and joined BCI as secretary to the president last year.

\*\*\*

**Henry W. Tymick** has been named executive vice president of Pioneer Bank & Trust, according to **John M. Sevcik**, president. Mr. Tymick will serve as chief operating officer and corporate secretary of the bank and as chairman of the operations committee for W.N. Lane Interfinancial.

Most recently senior vice president of operations and systems development at Pioneer, he is a graduate of Purdue University and has graduate degrees from Loyola University and the University of Wisconsin.

\*\*\*

BancNorthwest-Chicago, a Chicago-based affiliate of Northwestern

National Bank of Minneapolis, has elected three new assistant vice presidents and one new officer.

**Jeffrey S. Brooks**, **Denise C. Schubert** and **A. Arthur Pattarozzi** were elected assistant vice presidents of institutional sales. Mr. Brooks joined the bank in 1977, Ms. Schubert joined the bank in 1979 and Mr. Pattarozzi joined the bank in 1975.

**Kevin E. O'Connor** was elected investment officer in governments. He joined the bank in 1977.

\*\*\*

Devon Bank has added two new officers to its staff. **Leo Mendez**, formerly an auditor with State National Bank of Evanston, is now auditor with Devon. The second addition is **Saul Barkin**, formerly with the Bank of Lincolnwood. He is now with Devon as vice president-marketing in charge of financial relations.

\*\*\*

**Anthony T. Catalano** has been appointed vice president of commercial loans at Albany Bank & Trust Co. by **Joseph J. Briganti**, president.

Mr. Catalano is the fourth officer servicing business loans in the commercial loan department. He comes to Albank from Oak Park Trust & Savings where he was vice president of personal lending.

**John A. Michas** has been elected senior vice president and cashier of Aetna Bank, according to **Joel T. Harris**, president. **Mary Przytarski** has been promoted to personnel officer.

Mr. Michas joined the bank in 1970 as a management trainee, rose



J. A. MICHAS

M. PRZYTARSKI

through the ranks from assistant cashier and assistant vice president to his most recent position of vice president and cashier.

Ms. Przytarski joined the bank in 1977 as personnel manager after an association with Northwest Bancorporation in Minneapolis.

\*\*\*

Pioneer Bank & Trust recently opened a \$1 million drive-in facility at the intersection of Pulaski Road and Wabansia Avenue, according to **John M. Sevcik**, president.

## Austin Bank Opens New Facility



**PRESENT** at the ribbon cutting for Austin Bank's new facility were, from left: **Eugene A. Tharp**, v.p. & dir.; **Edward C. Connor**, dir.; **Michael P. Brosnahan**, sr. v.p.; **Robert F. Callery**, pres. & c.e.o.; **Charles Saporito**, adv. dir.; **Louis P. Garippo**, Demo. commit.; **Lydia S. Castle**, dir.; **Donald S. Watson**, chief exam., comm. of bks.; **Thomas M. McMahan**, dir.; **Louis Farina**, ald. cand.; **Paul P. Stolte**, facility mgr.; **Patrick S. Filter**, chmn.; **Marvin O. Gullang**, dir., and **Jack McNicholas**, p.r.

**R**OBERT F. Callery, president of Austin Bank of Chicago, has announced the grand opening of the bank's new facility at North and Naragansett Avenues.

The new facility has 7,000 square feet on the main banking floor and 3,500 square feet on the lower level,

which has been designated to accommodate efficient customer service. Safety deposit boxes are available through the newly-organized subsidiary, ABC Safety Deposit Co.

The facility is now the site of the Austin Bank trust department with full trust services available.

# His banker has to make decisions almost overnight.

Buying inventory while the price is right can make the difference between profit and loss for a retail lumberyard. It's a competitive business—with lots of quick price changes that need a quick response. And if you're going to be the kind of banker this business needs, sometimes you have to turn on a dime.

That's when it helps to work with the correspondent bankers at American National. We don't put layers of review committees

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Because we're the bank for business. We spend almost all our time helping businessmen grow. And that helps us do a better job for an aggressive correspondent. Shake hands with American National. The bank for business.



**American National Bank**

33 North La Salle / La Salle at Wacker 60690 / Phone (312) 661-5000

**We're the bank for business.**

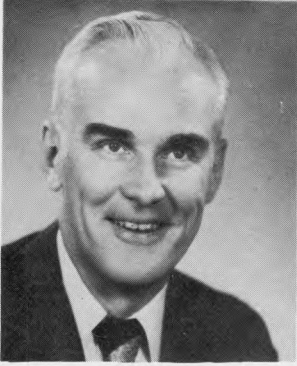


The Loon, state bird of Minnesota. This year the state bankers' convention will be held in Duluth on June 16 and 17. Join us at our Hospitality Suite at the Normandy Inn from 9:00 p.m. until midnight on June 16th. John Morrison, Peter Gillette, Jack McHugh, Larry Buegler, Paul Lindholm, Don Pederson, Dick Storlie, Mike Kelly, John Thomson, Jim Dempster, Tim Skildum, Phyllis Korinke, Ken Vegors, Gary Lundeen, and Jim Holker hope to see you there. We're on your side.

*This original painting is by nationally-known wildlife artist Louis Raymer.*


**NORTHWESTERN  
NATIONAL BANK**  
Of Minneapolis

Member FDIC



**J. T. GOWAN**  
President



**R. E. GANDRUD**  
First Vice Pres.



**R. J. WELLE**  
Second Vice Pres.



**T. L. JEFFERS**  
Exec. Vice Pres.

90th Annual

# Minnesota Bankers Association Convention

June 16-17

Duluth Arena Auditorium

Duluth

**B**ANKERS from all over the state will gather in Duluth June 16-17 for the 90th annual convention of the Minnesota Bankers Association. MBA President James T. Gowan said over 1,500 bankers are expected to gather to discuss current banking issues and elect new officers.

The convention opens on June 16 with special interest sessions, ladies' activities and an evening program. The June 17 activities begin with a prayer breakfast followed by morning and afternoon business sessions, special luncheons and concludes with the annual banquet.

Business sessions throughout the second day will be a combination of guest speakers, election of association officers and adoption of MBA convention resolutions. Featured speakers will include C. C. Hope Jr., president of the American Bankers Association and vice chairman, First Union National Bank & Trust Co., Charlotte, N.C.; Dr. William Freund, senior vice president and chief economist, New York Stock Exchange, and Mike Vance, creative leadership advocate.

Top-notch entertainment will be featured both evenings during the convention. The First Night "Duluth Harbor" Dinner Party will have the Dixie All Stars and Transition singing group. The annual banquet Tuesday night will be followed with fun and entertainment by a long-time favorite comedian, guitar-playing George Gobel, and by stunning singer Cathy Johnson, after which there will be dancing to the tunes of Jerry Mayeron's orchestra to close the convention.

A new special feature this year is the special interest session on Monday, June 16, at 2:30 p.m., with Tim

Marrinan discussing "Developing An Effective Bank Compliance Monitoring Program."

Men's and ladies' golf tournaments and a tennis tournament will take place Monday morning.

The convention is being organized by Duluth bankers headed by James H. Claypool, president, Northern City National Bank. The schedule follows:

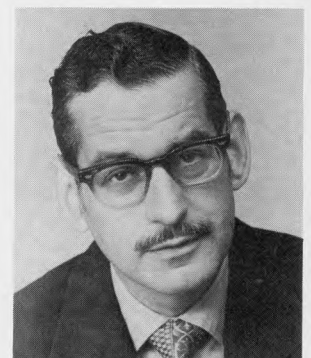
## Monday, June 16

### A.M.

- 9:00 Registration open, Duluth Arena Auditorium.
- 9:00 Ladies Golf Tournament, Ridgeview Country Club.
- 9:00 Men's Golf Tournament, Northland and Ridgeview Country Clubs.
- 9:00 Tennis Tournament, Duluth Indoor Tennis Club.



**C. C. HOPE**



**W. FREUND**

# Minnesota Bankers Association Convention

## P.M.

- 1:30 Bankers' Special Interest Sessions, Radisson
- 1:30 Ladies' Hospitality Center open, Duluth Arena Auditorium Mezzanine.
- 2:00 Ladies' Program, The Depot Theater.
- 2:30 Bankers' Special Interest Sessions, Radisson Hotel.
- 3:00 Hospitality Rooms open.
- 6:00 First Night Party, Duluth Arena Auditorium.
- 9:00 Hospitality Rooms open.

Tuesday, June 17

## A.M.

- 7:00 Registration open, Duluth Arena Auditorium.
- 7:30 Prayer Breakfast, Duluth Arena Auditorium.

- 9:00 Ladies' Hospitality Center opens, Duluth Arena Auditorium.
- 9:30 Ladies' Tour of Glensheen Mansion.
- 9:30 First Business Session, Duluth Arena Auditorium.
- Noon Luncheons
  - Ladies, Radisson Hotel.
  - Pioneer and MBA Past Officers, Duluth Arena Auditorium.
  - Delegates, Duluth Arena Auditorium.

## P.M.

- 2:00 Second Business Session, Duluth Arena Auditorium.
- 2:30 Ladies' Hospitality Center open, Duluth Arena Auditorium.
- 5:00 All Convention Reception, (sponsored by correspondent banks and associate members) Duluth Arena Auditorium.
- 6:15 Annual Banquet, Duluth Arena Auditorium. □

## You Will See Them at the Annual Minnesota Bankers Convention

**T**HE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the 90th annual convention of the Minnesota Bankers Association in Duluth, June 16-17.

### Chicago

**American National Bank:** Richard Akin.

**First National Bank:** Colin C. Johnston, vice president.

**Harris Trust and Savings Bank:** Robert E. Grimes II, commercial banking officer.

### Minneapolis

**First Bank:** Lee C. Hamilton, Raymond H. Johnson, Patrick R. Lavin and Kenneth A. Wales, vice presidents; Michael E. Boncher, Frank L. Brosseau, John L. Franklin, Allen G. Highum, Jerome (Jerry) Larson and Roger Raina, assistant vice presidents; Zylpha Gregerson and Michael P. LaVigne, correspondent banking officers; Leonard Kiskis, computer services officer; Minnie B. Schroeder and Delores Walstrom, bond investment officers; Anne Bergen, corporate computer service representative; Larry Nelson, bond investment representative, and June Swanson, correspondent administrative assistant.

**Marquette National Bank:** Carl Pohlard, Bill Rosacker, Bill Addington, Len Erickson, Bill Klein, Larry Kraayenbrink and Larry Lange.

**Midland National Bank:** Harry C. Benson, president and chief executive officer; Ernie C. Pierson, executive vice president; Stanley J. Peterson, vice president-correspondent banking; Michael E. Bodeen, assistant vice president-correspondent banking, and Richard A. Erickson, assistant vice president and director of marketing.

**National City Bank:** C. Bernard Jacobs, chief executive officer; James Hearon, president; Walter Meadley, senior vice president, and Donald L. Smith, vice president.

**Northwestern National Bank:** John W. Morrison, chairman of the board; John H. McHugh, vice chairman of the board; E. Peter Gillette Jr., president; Larry D. Buegler, C. Paul Lindholm and Donald G. Pederson, senior vice presidents; Richard C. Storlie and Michael E. Kelly, vice presidents; John L. Thomson, Gary L. Lundeen and James R. Holker, assistant vice presidents; Kenneth J. Vegors, Timothy R. Skildum, Phyllis L. Korinke and James R. Dempster, correspondent banking officers.

### St. Paul

**American National Bank:** James W. Reagan, chairman, president and chief executive officer; Robert E. Sipple and William P. Langford, senior vice presidents; Robert W. Jacobson and Donald H. Johnson, vice presidents, and Gary M. Omerza, assistant vice president.

**First National Bank:** Clarence G. Frame, president; James T. Gowan, Michael T. Mishou and Richard C. Swanberg, vice presidents; Craig B. Jones, Donald R. Lindeman, Jerome J. Borovansky, Robert J. Peroutka, Robert F. Hall and Clayton L. Johnson, assistant vice presidents; James A. Russell, correspondent bank officer; James D. Schmitz, correspondent bank representative, and Andrew G. Sall, executive vice president.

**Bank Equipment and Other Firms**  
**Banco Financial Corporation, Minneapolis:** Clarence A. Adams, chief executive officer; John H. Olson, president, and Lee T. Mork, senior vice president.

**Bank Building Corporation, St. Louis:** John Ladner, consultant services manager.

**Daktronics, Inc., Brookings, S.D.:** Bob Graf, district sales manager.

**Dawson Hail Insurance, Fargo, N.D.:** Lyle C. Askerooth and Dennis J. Christofferson.

**Financial Institution Services, Inc., Nashville:** Mel Sommers, regional director, and Tom Brickner, area director.

**ITT Life Insurance Corporation, Minneapolis:** Wil Rogers.

**Mosler Safe Company, Hamilton, Ohio:** Earl Frederickson and Harvey Larson, sales representatives.

**Omaha Financial Life, Bloomington:** Gabe Kuhn, regional manager.

**Saint Louis Terminal Warehouse Company, St. Louis:** David Miller, district manager.

**USLIFE Credit Life Insurance Company, Schaumburg, Ill.:** Robert L. Spehr, field vice president; David K. Craig and Donald R. Berremän, district managers.



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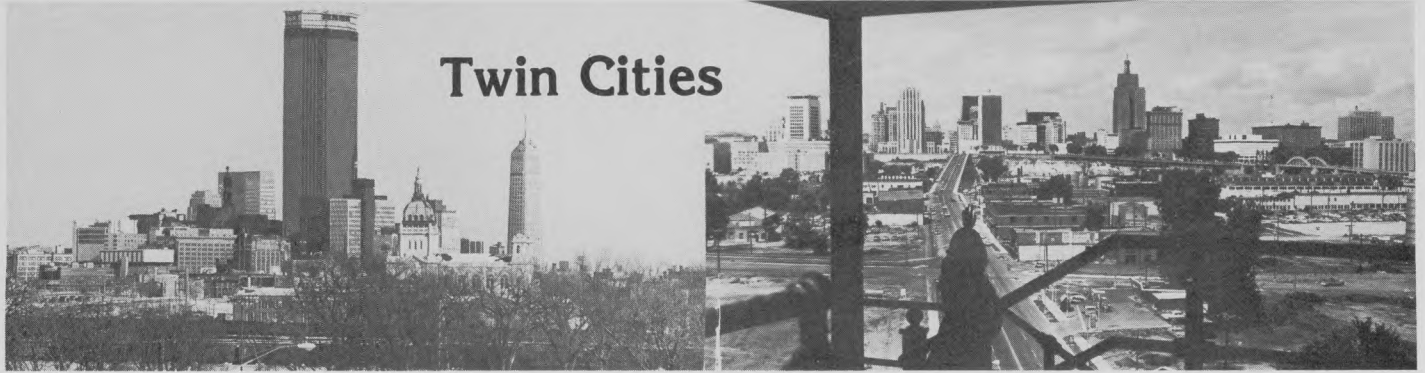
Remember that next time a customer needs capital. When he calls you, you can call us. And we'll be ready.

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## First Bank Minneapolis

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# Twin Cities

**T**HE board of directors of the St. Anthony National Bank recently elected **Jim Philpott** the new president and chief executive officer. He joined the bank in 1976 and most recently served as executive vice president and cashier. Mr. Philpott began his banking career in 1958 and previously served in a number of positions with various subsidiaries of Northwest Bancorporation.



**J. PHILPOTT**

\*\*\*

Eight officers have been promoted and 10 new officers have been named at the First National Bank of Saint Paul, according to **Clarence G. Frame**, president.

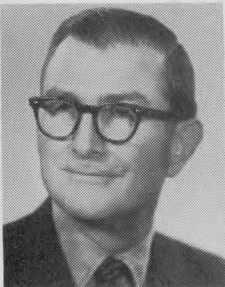
Promoted to assistant vice president were: **Linda A. Darling**, computer service sales; **Ronald W. Duffey**, **Robert F. Hall** and **Richard**



**L. A. DARLING**



**R. W. DUFFEY**



**R. F. HALL**



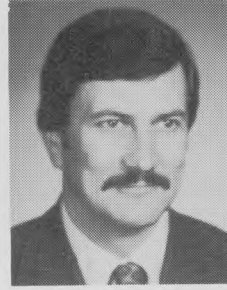
**R. G. LAMM**



**E. M. LONG**



**J. K. LUKASKA**



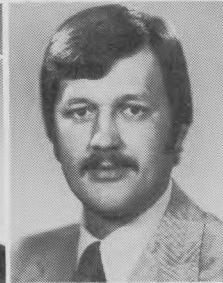
**R. J. ROTH**



**D. E. BARNES**



**J. A. RUSSELL**



**D. L. TIMMERMAN**



**K. D. CARLSON**



**H. E. HOVEN**

**G. Lamm**, investment services group; **Eileen M. Long** and **John K. Lukaska**, wholesale group; **James A. Russell**, correspondent banking, and **Dale L. Timmerman**, operations.

The new officers and their titles are: **Sherryl A. Anderson**, **Steven C. Cavalluzzi** and **Lee Ann Fiereck**, operations officer; **Robert T. Charpentier**, audit officer; **Alan J. Holz**, personnel officer; **Joe C. Paray**, accounting officer; **Wayne J. Pendergast**, systems officer, and **Lorraine M. Ruedy**, **Patricia S. Schneider** and **Linda L. White**, personal banking officer.

\*\*\*

Four new associates have joined First Bank Minneapolis. They are **Richard J. Roth**, assistant vice president, U.S.-Canada division of the international banking department; **Douglas E. Barnes**, international banking officer, foreign exchange division, international banking department; **Kent D. Carlson**, commercial banking officer, interim construction loans division, and **Harvey**

**E. Hoven**, retail banking officer, professional banking division.

Mr. Roth had been with the Ranier National Bank in Seattle, Wash., as an assistant vice president in the U.S.-Canada region since 1974. He is a graduate of the University of Idaho.

Mr. Barnes was formerly in the international banking department of Cleveland Trust Company. He has a degree in finance from the University of Akron, Ohio.

Mr. Carlson was formerly a construction loan administrator for First Bank System Financial. He has a bachelors degree in business administration from the University of Wisconsin.

Mr. Hoven had worked for several New York Stock Exchange firms since 1968. He has a masters degree in psychology from the College of St. Thomas.

\*\*\*

Lease Northwest, Inc., a full-service equipment lease and finance company, has announced the appointment of **James D. Sheedy** to

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**Northwestern Bell**

lease marketing officer.

Mr. Sheedy is a graduate of Mankato State College. He joined Lease Northwest in 1978 and was most recently a marketing representative.

\*\*\*

Midland National Bank of Minneapolis has announced the promotion of **Eileen Schema** to assistant vice president and the election of three new officers: **Gail Sahlstrom**, marketing officer; **Debbie Goosen**, accounting officer, and **Ruth Ronning**, personal banking officer. **Kathy Plante**, formerly a credit card officer, has been named personal banking officer.



E. SCHEMA

Ms. Schema joined Midland in 1954 as a secretary, in 1972 was elected mortgage loan officer and became a mortgage banking officer in 1977.

Ms. Sahlstrom joined Midland last August as retail marketing manager following previous employment as an account executive with Stevenson & Associates in Minneapolis.

Ms. Goosen joined Midland last August as accounting department manager following responsibilities at the First Northwestern Bank in Marshall. She is a CPA.

Ms. Ronning joined Midland in 1977 as a secretary and became a personal banker later that year. She is a graduate of Concordia College with a BA degree in business education.



G. SAHLSTROM



D. GOOSEN



R. RONNING



K. PLANTE

Ms. Plante's title change reflects her new assignment in the consumer banking services department.

\*\*\*

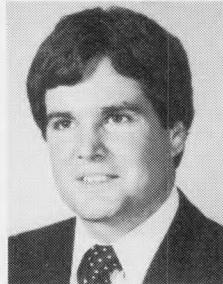
The board of trustees of F&M Savings Bank of Minneapolis has elected **Susan M. Peters** planning officer. Ms. Peters is a graduate of Macalester College in St. Paul and has been with the bank since 1973. She was appointed marketing services supervisor in 1977 and became long range planning analyst in 1979.



S. M. PETERS

\*\*\*

National City Bank of Minneapolis recently announced two additions to the bank's staff, according to C. **Bernard Jacobs**, chairman and chief executive officer. **Thomas S. Hull** joins the trust department as vice



T. S. HULL



R. D. ZYGMUNT

president in charge of investments, and **Robert D. Zygumt** joins the commercial banking department as commercial loan officer.

Mr. Hull, who has an extensive background in banking, is a graduate of the University of Pennsylvania with a BA degree, and its Wharton School with an MBA.

Mr. Zygumt joins the commercial loan department's group E which is responsible for executive and professional relationships. He has been employed by California banks since 1974 and has a BS degree from Mankato State College.

\*\*\*

American National Bank & Trust Company, St. Paul, has announced the appointment of **Douglas M. Bach** as assistant vice president in the mortgage department.

Mr. Bach joined the bank in 1978

as a mortgage loan officer, and is responsible for the income property section. He is a graduate of Michigan State University.

\*\*\*

**Janice K. Karls** was recently elected operations officer at the Northwestern National Bank of Saint Paul, according to **G. Richard Slade**, president. Ms. Karls, a graduate of the College of St. Benedict, St. Joseph, Mo., joins Northwest-ern from Banco, Incorporated where she was in-charge auditor. She will be special services manager, specializing in credit unions and commercial services customer needs.



J. K. KARLS

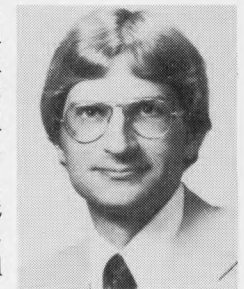
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Comptroller of the Currency **John G. Heimann** recently announced the selection of **Michael A. Mancusi** as regional administrator of national banks for the Ninth National Bank Region (Minneapolis).

Mr. Mancusi joined the OCC in 1967 and was commissioned a national bank examiner in 1973. Since 1974 he has held various positions in the Richmond regional office. He is a native of Washington, D.C., and has a BA degree in commerce from St. Francis College in Loretto, Pa.

\*\*\*

**Gerald H. Thole** has been appointed a liaison credit officer for First Bank System, Inc. He has been associated with FBS since 1973 when he joined First Bank Merchants, St. Paul, as a management trainee. Most recently he served as assistant vice president - marketing and commercial loan officer at First Bank Security, St. Paul. He has a BS degree in business from the University of Minnesota.



G. H. THOLE

\*\*\*

**Thomas M. Hinnenthal** has been named senior vice president and man-

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ager of the loan administration division of Northwest Bancorporation.

Mr. Hinnenthal, a vice president in the loan administration division since April, 1979, succeeds **John Olson** who has been named president and chief operating officer of Banco Rincial Corporation.



T. M. HINNENTHAL

Before joining Banco, Mr. Hinnenthal was a vice president in commercial lending for Northwestern National Bank of Minneapolis where he had been employed since 1961.

**Charles L. Kretchman** and **H. B. Renander** were elected vice presidents of Banco and **Richard J. Lovett** was elected government relations officer.

Mr. Kretchman, formerly president of Northwestern State Bank of Dawson, was named vice president in the banking division. He joined the Dawson bank in 1973 after serving 12 years with the First National Bank of Aberdeen, S.D.

Mr. Renander was elected vice president in the financial division. He joined Banco as a manager of cost benefit analysis in 1977 and previously was with Northwest Computer Services, Inc.

Mr. Lovett, formerly government relations representative, was with

Northwestern National Bank of Minneapolis prior to joining Banco in 1979. He is a graduate of William Mitchell College of Law.

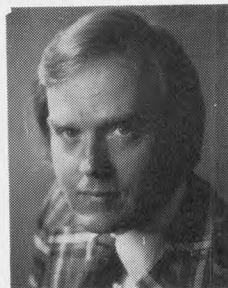
### New VP at Erskine Bank

Michael Newland has joined the American State Bank of Erskine as vice president in the loan department. A former teacher, Mr. Newland was previously with the Valley National Bank of North Mankato where he was in charge of instalment lending and personnel.

### Management Changes Told At Security, St. Michael

The Security State Bank of St. Michael has made the following personnel changes.

Paul F. Ederer was elected president and managing officer replacing R. E. Simms who has been elected vice chairman of the board. Mr. Ederer began his banking career in 1968



P. F. EDERER

with Fourth Northwestern National Bank of Minneapolis and later became vice president of the First National Bank of Waconia. He joined the St. Michael bank in 1978 as executive vice president.

Marcella Daleiden has been pro-



M. DALEIDEN

D. M. LANGE

moted to assistant vice president responsible for customer services and new accounts. Mrs. Daleiden has been with the bank since 1957 and had been cashier since 1972.

Donna M. Lange has been promoted to cashier. Mrs. Lange started her banking career at the Prior Lake State Bank in 1970. She then went to First Bank Produce, Minneapolis, and joined Security State in 1978.

### Staff News From Edina

H. J. Wogsland, president of First Bank Edina, has announced the election of Kevin McShane as manager of the Vernon Avenue office.

Mr. McShane joined the bank in 1975 as a management trainee. He was promoted to a personal banking officer in 1976 and most recently was a commercial loan officer.

Howard L. Weldon, a vice president at First Bank Edina, was recently awarded a certificate designating him as a Certified Commercial Lender (CCL) at a special ceremony held in conjunction with the American Bankers Association's National Credit Conference.

### Retires From Bank Service

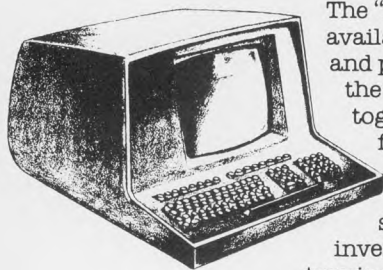
Leon J. Kaliher has retired as a director of the Northern National Bank, Bemidji, where he has been associated since 1951 when he assumed the duties of president. He retired in 1968 and has since served on the board.

Mr. Kaliher, who completes 61 years in banking, began his career in 1919 at the Bank of Elk River. He has a bachelors degree in business administration from the University of Minnesota.

Over the years he has worked at the Northwestern National Bank of Hopkins, First National Banks in Richmond and Knapp, Wis., Union State Bank at Thief River Falls and the First National Bank at Red Wing.

Directors and staff members of the Bemidji bank honored Mr. Kaliher at a retirement party last month.

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# Look for us in Duluth.

We look forward to seeing our banker friends at the Minnesota Bankers Association Convention.

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June 16 from 4:00 to 6:00 p.m. and 9:00 p.m. to midnight.

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## Robbinsdale Plans Brooklyn Park Facility



**GROUNDBREAKING** ceremonies for the Brooklyn Park detached facility of First Bank Robbinsdale were held in late April, according to **Kenneth Sheehan**, pres. The new office will be located at 74th and Zane Avenue North and an August completion date is planned. Featured will be multiple drive-through auto bank lanes and a 24-hour Firstbank automatic teller machine.

### First National, Lakefield Converts to State Charter

The Minnesota Commerce Commission has approved an application by the First National Bank of Lakefield to convert to a state chartered bank. The bank has held its national charter since 1899. The state charter will be issued and become effective when the bank completes the incorporation process.

The bank's management will continue with Evelyn Kolander as chairman, Douglas Kratz as president and Kenneth E. Haddock as executive vice president.

The bank also is planning on expanding its corporate authority to offer trust services, and will be named First Trust Bank of Lakefield. Consent to authorize the trust powers and privileges was granted subsequent to the conversion act.

### First National of Duluth Announces Appointments

Dennis W. Dunne, president of the First National Bank of Duluth, has announced the promotion of Leonard E. Griffith and Richard G. Williams to the position of senior vice president.

Mr. Griffith, who directs the bank's marketing programs, joined the bank in 1952 as advertising director. He had served as vice president and director of marketing since 1969 and is a business and journalism graduate of the University of Minnesota.

Mr. Williams, who heads the human resources department, joined the bank in 1957. He was named assistant vice president-personnel in 1970, vice president-human resources in 1973 and assigned the additional responsibility of regional personnel director for



L. E. GRIFFITH R. G. WILLIAMS

Banco banks in northeast Minnesota in 1978.

Raymond C. Sink, who was promoted to vice president, joined the bank in 1956. He had served as assistant vice president and security officer since 1978.

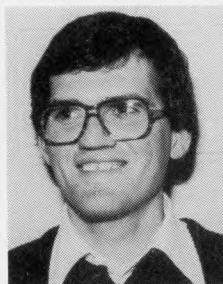
Other promotions include Dorothy A. Puchreiter and Philip D. Rolle, assistant vice president; James D. McCabe, assistant vice president and trust officer; Linda M. Paulsen, branch officer, and Nancy Ann Fellbaum, teller operations officer.

### New Managers Named At First Bank-Waseca

Glenn Thompson, president of First Bank-Waseca, has announced the appointment of new managers for the installment loan department and insurance agency.

William P. Tuttle has been appointed assistant cashier and manager of the consumer finance department. He will also serve as marketing officer for the bank. Mr. Tuttle joined the bank in April, 1979.

Stanley Hup was named manager

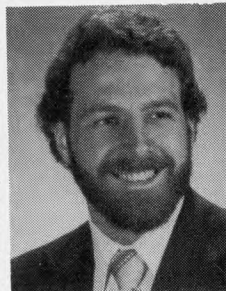


S. HUP

of the Waseca Insurance Agency. He was formerly affiliated with the Pipestone Insurance Agency. Mr. Hup replaces Wally Skoglund who has resigned to accept the managership of the First National Insurance Agency of Luverne.

### N. Mankato Bank Promotion

Richard F. Voelz, president of the Valley National Bank of North Mankato, has announced the election of John H. Maiers as an assistant cashier. Mr. Maiers has worked in various capacities at the bank for the last three years.



J. H. MAIERS

### New President Joins Dodge Center NW Bank

L. Kenneth Erickson, formerly vice president of First Northwestern National Bank in Denison, Iowa, has been elected president of Northwestern State Bank of Dodge Center by the bank's board of directors. He succeeds Lowell O. Grasdalen whose resignation was effective April 30. Mr. Erickson joins the Dodge Center bank after four years with the Iowa bank.



L. K. ERICKSON

He previously spent nine years with Northwestern State Bank in Hillsboro, N.D., where he was assistant vice president before joining the Denison bank. He has completed several banking and bank-related schools.

### Opens Motor Bank Addition

The State Bank of Faribault recently held a celebration for its new Motor Bank addition. Originally constructed in 1971, the facility (with three drive-in units) was expanded to six drive-in units.

With the new additions the Motor Bank provides one of the largest complete drive-in facilities in the area. Hams were given away to winners who registered through the facility.



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*Alex Sheshunoff*

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## MBA Sponsors Minnesota 4-H Delegation



**THE MINNESOTA** Bankers Association, for the 32nd year, has sponsored a trip for four Minnesota 4-H delegates to attend the National 4-H Conference in Washington, D.C. Pictured are three of the delegates with **James T. Gowan**, MBA pres., who presented a check for travel expenses. Mr. Gowan is also v.p., First Bank-St. Paul.

### Executive Changes Made at Lake Crystal National

At a special board meeting of Lake Crystal National Bank, James A. Clark was appointed to fill the position of president and director vacated by the resignation of Donald E. Ackland, who had been president since 1974.



**J. A. CLARK**

Mr. Clark had served as vice president of the bank for the past two years. Quentin J. Marsh, who joined the bank recently, has been appointed vice president.

In other action Fred L. Lantz was elected chairman of the board. Mr. Lantz, who farms in the Lake Crystal area, has been a director the past year.

Negotiations for the sale of the interest held by Mr. Ackland and Wilbur Kraus were recently finalized. Controlling interest in the bank has been purchased by Mr. Clark and Mr. Lantz and Charles A. Johnson, a long time resident and businessman who now resides in Mankato.

Prior to joining the Lake Crystal bank, Mr. Clark was associated with the First Bank at Windom and Production Credit Association of Mankato.

### New President Elected At Bank of Elk River

Edmund Babcock, chairman of The Bank of Elk River, has announc-

ed the election of James M. Simpson as president replacing Thomas K. Wilson, interim president.

Mr. Simpson comes to Elk River from Watertown, S.D., where he was president of the United National Bank. He was president of the First National Bank of Barron, Wis., for five years and has held positions with the Western State Bank of Sioux Falls, S.D., and the Iowa-Des Moines National Bank.

### First Bank Mankato Elects New Officers

Starr J. Kirklín, president of First Bank Mankato, has announced the election of Pamela Terry as auditor and Barbara J. Bahr as personal banking officer.

Ms. Terry has a BA degree from Simpson College, Indianola, Iowa. She joined First Bank System, Inc. in 1975 as a member of the examining staff and was most recently auditor at the First National Bank of Hopkins. In her capacity she will act as regional auditor for First Bank System.

Ms. Bahr joined the bank in 1972.



**P. TERRY**

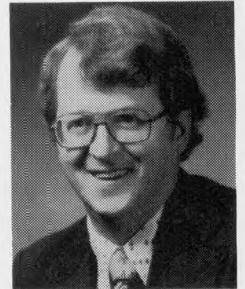


**B. J. BAHR**

She has worked in a number of the bank's departments, becoming a member of the personal banking department in the spring of 1979.

### New President at Dawson

The board of the Northwestern State Bank of Dawson has announced the election of Everett E. Kelley as president to succeed Charles L. Kretchman who has accepted a position with the Banco corporate office.

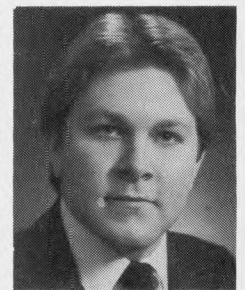


**E. E. KELLEY**

Mr. Kelley was formerly assistant vice president and assistant manager of the Groton branch, First National Bank of Aberdeen, S.D. He had been with the Groton branch since 1973 and previously was ag loan officer at First National Bank, Britton branch. He is a graduate of Northern State College, Aberdeen.

### Joins Maplewood State

Michael R. Ruether has been elected a loan officer by the board of directors of the Maplewood State Bank, according to G. Jack Hillstrom, president. Mr. Ruether graduated from St. John's University. He was previously employed at ITT Thorp Finance.

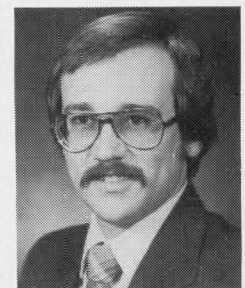


**M. R. RUETHER**

### New Cashier at Marshall

Thomas D. Lessard has been elected operations officer at Western Bank & Trust Co. of Marshall and assumed the duties of cashier May 1.

He was formerly an auditor for the Bremer Service Co., auditor at Dakota Bank & Trust Co. in Fargo, and was most recently auditor at First Bank-Valley City, N.D. He is a graduate of Moorehead State College.



**T. D. LESSARD**



Craig Jones, Assistant Vice President, Northern Metro Area, Northern Minnesota (612) 291-5576

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“All it takes is a phone call to me to have the full resources of the bank brought to your desk.

“If you have questions about overline participations, acquiring a bank, financial regulations, check clearing or any other problem . . . contact me.

“My job is to stay on top of the fast-changing developments in banking today, by frequently attending banking workshops and seminars. Add to that the years of experience I’ve acquired in banking. That’s the kind of experience it takes to bring the full resources of our bank right to your desk.

“In today’s competitive banking world, First Bank Saint Paul, could be one of your strongest assets. Give me a call and I’ll put it to work for you.”



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Saint Paul**

Correspondent Bank Division

**We do our job.  
You get the credit.**

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## North Dakota

M. T. Nelson, pres., Stanley  
H. J. Argue, exec. dir., Bismarck



### Convention Report

The North Dakota Bankers Association annual convention was just concluding in Bismarck when this issue went to the printer. A full convention report with pictures will be presented in the next issue.

Incoming NDBA President C. N. Davis, president of the First State Bank in Cando, announced prior to the convention that the following individuals have accepted appointment to serve as committee chairmen for 1980-81, effective with the conclusion of the convention last month. Named chairman of standing committees are:

- Advertising — Mike Coffey, Northwestern National Bank, Valley City.

- Agriculture—Arlo Maag, First State Bank, Munich.

- Bank Management — James Lewis, National Bank of Harvey.

- Bank Women—Janice Kolrud, First Bank of North Dakota, Fargo.

- Consumer Credit—Mike Kitzman, Fargo National Bank.

- Education—Lee Nelson, Bank of Tioga.

- Insurance — Ron Lamphear, State Bank of Burleigh County, Bismarck.

- Legislative — Doug Nyquist, American State Bank, Williston.

- Trust—to be named.

Named chairmen of special committees are:

- Long Range Planning Task Force—Don Miller, Community National Bank, Grand Forks.

- 1981 Annual Convention—Stan Taylor, Fargo National Bank.

It was further announced that the 1981 convention will be held May 18-19 in Fargo. Future conventions are scheduled as follows: 1982—Minot; 1983—Grand Forks; 1984—Bismarck; 1985—Fargo.

### Changes at Dickinson Bank

Dennis White has joined the Liberty National Bank and Trust Company, Dickinson, as vice presi-

dent. A native of Valley City, he was most recently senior vice president of the Farmers State Bank of Minnewaukan.

Leon Schaible has been promoted from assistant cashier to the cashier position. He was recently with the Bank of Lemmon, S.D., prior to joining Liberty National.

### Deposits Increase in N.D. Says Banking Commissioner

LeRoy Gilbertson, commissioner of the Department of Banking and Financial Institutions, Bismarck, has announced that the deposits of North Dakota state and federally chartered banks, savings and loan associations and credit unions totaled

\$5.664 billion as of December 31, 1979.

Total deposits increased \$477 million, or 9.20% for the year 1979 as compared to increases of \$514 million for the year 1978, \$519 million for the year 1977 and \$394 million for the year 1976.

Of the total 1979 deposits, banks held \$3.749 billion, or 66.19%; savings and loan associations held \$1.699 billion, or 29.99%, and credit unions held \$216 million, or 3.81%.

Mr. Gilbertson said that the steady increase in deposits provides for a healthy and viable financial community and is an indication that North Dakota citizens are saving money and supporting their local financial institutions.

### Joins Leasing Company

Lease Northwest, Inc., a full-service equipment lease and finance company, has named Christopher A. Hoss lease marketing officer and manager of the North Dakota regional office in Fargo.

Mr. Hoss, who assumed management duties in March, is a graduate of North Dakota State University. He formerly was an assistant vice presi-

## UMACC Scheduled for June 25-27

THE conference of the Upper Midwest Agricultural Credit Council will be held June 25-27 at the Badlands Motel in Medora. Member states include Minnesota, Montana, North Dakota, South Dakota and Wisconsin.

Council president is Charles K. Pederson, vice president, Farmers & Merchants State Bank, Springfield, Minn. First vice president is William C. Parker, vice president, Citizens State Bank, Rugby. The program follows:

### Wednesday, June 25

Noon Registration until 5 p.m. in lobby.

6:00 Social hour, Burning Hills Amphitheater.

7:00 Pitchfork Fondue.

8:30 Medora Musical, Amphitheater.

### Thursday, June 26

A.M.

8:00 Registration.

9:00 Welcome, Charles K. Pederson.

9:15 Planning Financial Resources for the Future — Michael Boelje, professor of economics, Iowa State University.

12:30 Luncheon and business session. Speaker: Pat Goggins, publisher, Western Livestock Reporter, Billings, Mont.

Preview of ranch tour — Jim Voll, Farmers & Merchants Bank, Beach.

2:30 Tour of Jerry Meyer's ranch near Medora.

5:30 Social hour, patio.

6:30 Casual banquet, Chuckwagon Room.

Presentation of the 1981 Wisconsin conference.

A History of the Medora area — Harold Schafer, founder and chairman, Gold Seal Wax Co.

### Friday, June 27

A.M.

8:30 World Trade Outlook for Ag Products — Carol Hirtz, North Dakota Sunflower Co-op, Mott, and Steve Reimers, grain producer, Carrington.

10:15 Trade Outlook continues — Joseph Halow, executive director, North American Export Grain Association.

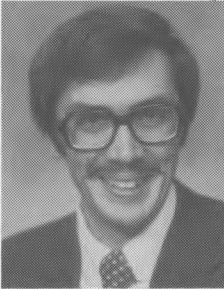
11:15 Panel discussion.

Noon Final session luncheon.

dent of the Dakota Northwestern Bank of Bismarck, and has held positions with Northwestern Bank in Great Falls, Mont., and First National Bank of Fargo.

### Joins First Bank Bismarck

Bob Westbee, president of the First National Bank & Trust Co. of Bismarck, has announced the appointment of James Braaten as an officer. Mr. Braaten's responsibility will be loan review and compliance.



J. BRAATEN

He joined First Bank System in 1978 as a management associate at First Bank of Little Falls, Minn., and transferred to First Bank Bismarck in February. He has an MBA degree from the University of North Dakota.

### Farmers State, Crosby Promotes Two Officers

Gary Hanisch, president of the Farmers State Bank of Crosby, has announced the promotion of two officers, Gaylen Melgaard to vice president and Kathy Hall to cashier.

Mr. Melgaard joined Farmers State in 1976 and has served as representative and assistant vice president. He previously was employed by Avco Financial Services as an assistant manager for three years.

Ms. Hall has been employed at the bank since 1966. She began as a secretary, was promoted to assistant vice president in 1978 and now assumes responsibilities in the installment, commercial and real estate lending fields.

### New Associates, Promotion Told at Minnewaukan Bank

The board of the Farmers State Bank of Minnewaukan has announced the election of two new officers and the promotion of another.

Vernon J. Anderson was elected vice president and agricultural loan officer. Mr. Anderson, a graduate of NDSU, was formerly with Security Pacific Bank in California as manager and Ramsey National Bank & Trust Co. of Devils Lake as vice president and agricultural loan officer.

Gertrude F. Berg was elected cashier and operations officer. Ms.

Berg attended Concordia College and formerly served as commercial teller at Citizens State Bank, Puyallup, Wash., operations officer at the First National Banke, Enumclaw, Wash., and vice president and director at Farmers State Bank, Leeds.

Kathryn G. Griffin was elected assistant vice president. Ms. Griffin joined the bank in 1961 and had served as cashier.

### Promoted at Langdon Bank

D. M. Mason, president of the First Bank Langdon, has announced the promotion of Terry Rime to vice president. Mr. Rime will continue as head of the bank's agricultural loan department. He joined the bank in 1977 and previously was employed by First Bank of Jamestown.



T. RIME

### First Bank of Langdon Celebrates Anniversary

First Bank of Langdon celebrated its 75th anniversary with a three-day open house in March attended by over 2,000 people. Several contests and drawings were held and free gifts were given to visitors.

Of special interest were films of farm life from the early 1900s and a contest for the oldest cancelled check on the bank, which was won by a check cleared in 1909.

The bank, a First Bank System affiliate, has grown from \$10,000 capital in 1905 to nearly \$34 million at year-end 1979, according to D. M. Mason, president.

### Kenneth A. Nielsen

Funeral services for Kenneth A. Nielsen, 66, were held recently in West Fargo. He joined the West Fargo State Bank in 1952 and later served as its president until his retirement in 1975. Mr. Nielsen began his banking career in Binford, Minn., and later served as a bank examiner out of the Minneapolis FDIC office. Among his survivors are his wife, Anne, and a daughter.



K. NIELSEN

### Appointed at Wahpeton Bank

W. M. Sanger, president of the First Bank of North Dakota (N.A.)-Wahpeton, has announced the appointment of E. Justin Reynolds as an instalment loan representative.

Mr. Reynolds was previously employed by the First Bank of North Dakota-Fargo, leaving that bank in March, 1979, to complete his BS degree at North Dakota State University.

### Visa U.S.A. Board Calls for Legislative Price Relief

A federal legislative proposal to afford pricing relief on bank cards was endorsed by the Visa U.S.A. board at its recent meeting. It was one of several actions taken to enable Visa members to respond to the effects of the continuing high cost of funds and government-imposed controls on consumer credit.

Other board actions included approval of a pilot program to test the potential for cost savings in a new electronic dial terminal authorization concept, and temporary suspension of the corporation's card advertising program. The board also approved "National Car Rental" for Visa Blue Band identification.

The legislative proposal would de-regulate all charges on bank cards to the extent they are used as a convenient payment device. The entire process by which a transaction is completed between cardholder and merchant and paid in full by the customer within a reasonable period would be considered a payment transaction. The proposal calls for this transaction process to be priced in an open market free of restraint. The funds necessary to complete this cycle would be considered a part of the process and not an extension of credit and, therefore, not subject to state usury laws.


The board also reviewed and approved cancellation — to the extent possible — of card advertising that had been scheduled for the spring months of 1980. This action was taken as a result of the government's credit control program.

"The present commercial is now contrary to the letter and spirit of governmental action and to measures already implemented or under consideration by our member financial institutions," said Philip S. Hayman, senior vice president and head of the marketing division of Visa U.S.A.



The Western Meadow Lark, state bird of Montana. The state bankers' convention will be held in Colorado Springs, Colorado, on June 25 through June 27. John Morrison, Larry Buegler, Don Pederson, Dick Storlie, John Thomson, Steve Thompson, and Ted Taney hope to see you there. We're on your side.

*This original painting is by nationally-known wildlife artist Louis Raymer.*


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President



**J. B. WALLANDER**  
Vice President



**R. L. REIQUAM**  
Treasurer



**J. T. CADBY**  
Exec. Vice Pres.

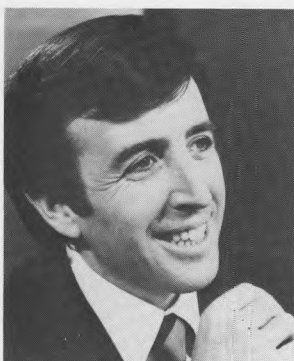
**77th Annual**

# Montana Bankers Association Convention

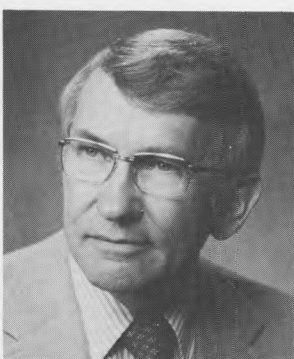
**June 25-27**

**Broadmoor Hotel**

**Colorado Springs, Colo.**



**B. MUSBURGER**



**E. B. MAYNARD**



**E. B. LINDAMAN**

**M**ONTANA bankers will travel to Colorado for the Association's 77th annual convention to be held at the Broadmoor Hotel in Colorado Springs June 25-27. The program has been changed from previous years in that no group function will be held Wednesday evening. All recreational activities will be held on Thursday and the convention will start with a reception and dinner Thursday evening. The business session and membership meeting will be held on Friday and the convention will end with a dinner/dance Friday evening.

Serving as president of the MBA for 1979-80 was Robert F. Burke, president of the First National Montana Bank of Missoula. Assisting him were: vice president — Jerry B. Wallander, president of the First State Bank of Froid; treasurer — Robert L. Reiquam, president of the First National Bank in Miles City, and executive vice president — John T. Cadby, headquartered in Helena. The convention program follows:

### Wednesday, June 25

#### P.M.

- 1:00 Registration desk opens, International Center.
- 2:00 Board of Directors meeting, Broadmoor West.
- 6:30 Board of Directors Reception and Dinner, Broadmoor West.

### Thursday, June 26

#### A.M.

- 8:00 Registration desk opens, International Center.
- 9:00 Men's Golf Tournament, Broadmoor East Course.
- Women's Golf Tournament, Broadmoor West Course.
- Mixed Tennis Tournament, Broadmoor Courts.
- 50-Shot Trap Tournament, Broadmoor Trap Range.

#### P.M.

- 6:00 Reception and Dinner, International Center.
- Speaker: Brent Musburger, CBS sportscaster, Los Angeles, Calif.

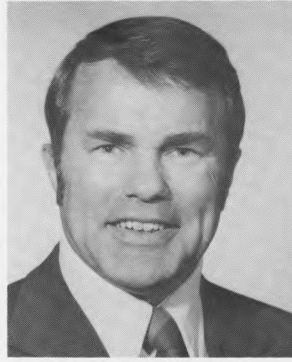
Friday, June 27

## A.M.

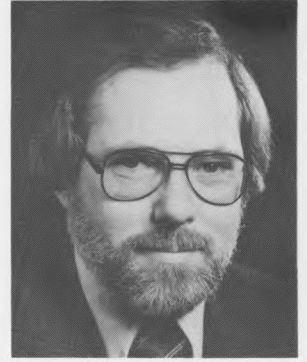
- 7:30 25-Year Club Breakfast, Broadmoor Main. Speaker: E. Burton Maynard, Colorado Springs, former executive vice president, Security Bank, Billings.
- 8:00 Continental Breakfast, registration and information—International Center.
- 9:00 Ladies Breakfast, Broadmoor Main (ladies tour at 10:30 a.m.)
- 9:00 Opening Ceremonies, International Center.
- Edward B. Lindaman, president, Whitworth College, Spokane, Wash.
  - Ron Useldinger, Fitness Institute of America, San Jose, Calif.
  - Dr. Wayne Talarzyk, Ohio State University, Columbus.

## P.M.

12:30 Awards Luncheon, International Center.



R. USELDINGER



W. TALARZYK

1:30 Annual Membership Meeting, International Center.

6:30 Associates Reception, International Center.

8:00 President's Dinner Dance, International Center. □

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FIRST NATIONAL BANK in Miles City •

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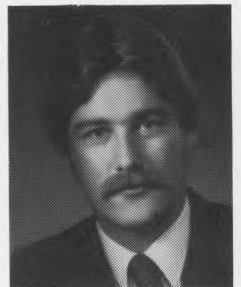
## Joins Butte Bank as ILO

W. R. Tait, president of the First National Bank, Anaconda-Butte, has announced that John C. Koppelman has joined the bank as an instalment loan officer.

Mr. Koppelman was employed for the past six years by the Fourth Northwestern National Bank of Minneapolis. He is a graduate of the University of North Dakota at Grand Forks and the National Instalment Credit School. He will work with Gary Winship and John Goldberg in the instalment loan department at the Butte office.

## Joins Belt Valley Bank

The board of directors of the Belt Valley Bank, Belt, has announced the appointment of Richard A. Browning as a vice president. Mr. Browning was formerly associated with the First National Bank of Great Falls.



R. A. BROWNING

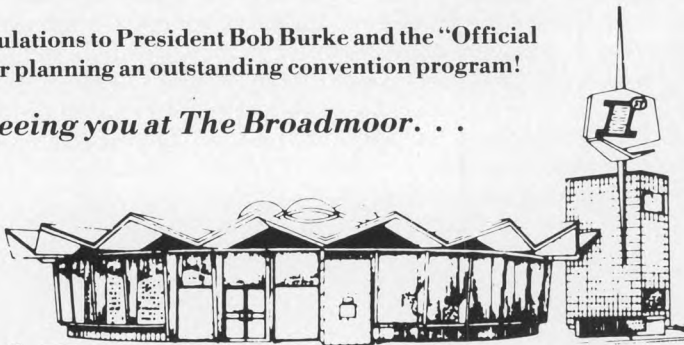
## Named at Missoula Bank

The board of directors of First Bank (N.A.)-Southside Missoula has announced the promotion of Jerry Knutson to instalment loan officer.

Mr. Knutson has a degree in political science and economics from the University of Montana in Missoula. He began his banking career in March, 1979, as a management trainee at First Bank-Southside.

Our congratulations to President Bob Burke and the "Official Family" for planning an outstanding convention program!

*Be seeing you at The Broadmoor. . .*



**FIRST NATIONAL BANK  
OF GLENDIVE**

*"Glendive's*

*Family Bank"*





PICTURED at left, from left, are **Bob Panchich**, pres., First Bank West Great Falls; **John Reichel**, pres., First Bank Great Falls, and **Lyle Gorman**, v.p., Buttrey's Inc.



**Two Great Falls Banks Introduce FASTBANK**

Two Great Falls banks and a local supermarket have announced the new FASTBANK® ATM service to the Great Falls area. The service is located at Buttrey's Superstore, 2601 10th Ave. South, and is provided by First Bank Great Falls and First Bank West Great Falls.

FASTBANK is accessible by either of Firstbank's Red Carpet card or Firstcard. Customers are able to make deposits, withdraw cash, transfer money between accounts or obtain account balances.

Two more FASTBANK locations will be added this summer, one each in the Buttrey store at Westgate Mall and the Holiday Village. With the addition of these locations, the First Banks will have five electronic banking devices in use within Great Falls.

**You Will See Them at the 77th Annual Montana Bankers Association Convention**

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the Montana Bankers Association Convention June 25-27 at the Broadmoor Hotel in Colorado Springs, Colo.

**Billings**

**Security Bank:** Dick Kjoss, presi-

dent; Eugene E. Coombs, vice president; Tom Scott, president—Security BancShares; Jerry Woods, executive vice president; Homer Scott, chairman, and Bill Wilson, senior vice president.

**Chicago**

**Continental Bank:** Robert P. Gibbs, vice president.

**"through thick & thin  
... ups & downs...  
good times & bad!**

Montana Territory was in the midst of a gold-rush boom when First National Montana Bank opened its doors in 1873. We've been through other booms since then, and a few busts as well. Regardless of the economic climate, Montana's oldest bank has always been there to provide our customers with dependable banking services. We'll be there in the future too . . . whatever the future holds.



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**Frank Shaw, Senior Vice President**  
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**Del Barnekoff, Asst. Vice President**

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So if you haven't seen Gene lately, your bank could be missing a lot of **profitable opportunities**. Give him a call today. He loves to talk your business.



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**First National Bank:** Jerome R. Wagner, loan officer.

### Denver

**First National Bank:** Terrance J. Tangen and Harry Devereaux, assistant vice presidents, and Charles Hall Jr., correspondent bank officer.

### Minneapolis

**First Bank:** Robert J. Anderson, executive vice president; Kenneth A. Wales, vice president; John L. Franklin, assistant vice president, and Edward L. Whelan, bond investment officer.

**Marquette National Bank:** Dick Holmes and Jim Kammerer.

**Northwestern National Bank:** John W. Morrison, chairman of the board; Donald G. Pederson and Larry D. Buegler, senior vice presidents; Richard C. Storlie, vice president; John L. Thomson, assistant vice president; Steven B. Thompson, correspondent banking officer, and Clifford A. Taney, correspondent bond sales.

### St. Paul

**American National Bank:** James W. Reagan, chairman, president and chief executive officer; Robert E. Sipple, senior vice president; Robert W. Jacobson, vice president, and Michael McNeil, assistant vice president.

**First National Bank:** A. G. Sall, executive vice president; James T. Gowan, vice president; Donald R. Lindeman and R. E. Pringle, assistant vice presidents.

### Seattle

**Seattle-First National Bank:** Samuel R. Noel, vice president and manager; Steven C. Pumphrey, vice president and area manager; Vernon C. Ashbrenner and John S. Madison, assistant vice presidents.

### Bank Equipment and Other Firms

**Bank Building Corporation, St. Louis:** Hank Hanson, consultant services manager.

**Mosler Safe Company, Hamilton, Ohio:** Bill Smith, regional sales manager, and John Tharp, sales representative.

**North Central Companies, St. Paul:** Robert Gordon.

**Omaha Financial Life, Bloomington, Minn.:** Bob Geiger, regional manager.

**USLIFE Credit Life Insurance Company, Schaumburg, Ill.:** James B. Anattol, district manager.

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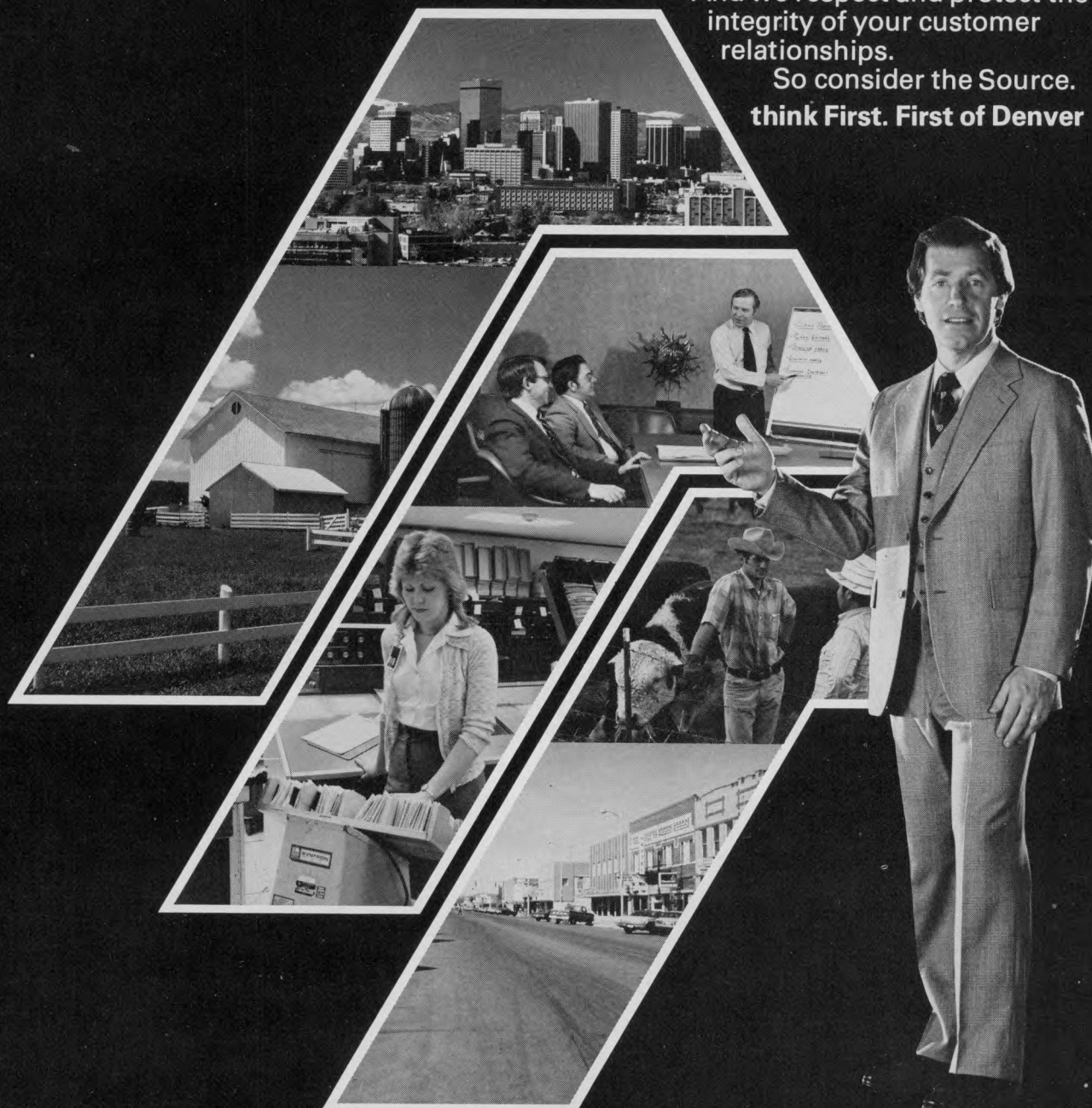
for prompt, decisive answers and action on your loan participation requests, for the newest, most comprehensive cash management systems,

for an availability schedule which sets the standard in the Rocky Mountain region,

for highly skilled bankers who make it their business to anticipate changes in the agri-business and metro markets that can affect your bank and customer needs.

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**NEW OFFICERS**—2nd v.p., Dean D. Mehlhaff; 1st v.p., Nels E. Turnquist; pres., John W. Thomson, and past. pres., Glenn H. Waltner.

## John W. Thomson Elected South Dakota President

By MALCOLM FREELAND  
Publisher

**J**OHN W. Thomson, president, The Bank of Centerville, was advanced to the presidency of the South Dakota Bankers Association at its 88th annual convention in Rapid City last month. He succeeds Glenn H. Waltner, president of the First National Bank of Freeman. Over 700 were in attendance.

Elected to assist Mr. Thomson were: first vice president, Nels E. Turnquist, president, National Bank of South Dakota, Sioux Falls, and second vice president, Dean D. Mehlhaff, president, Eureka State Bank. J. I. Milton Schwartz continues as executive manager, and Deborah Gates continues as assistant executive manager.

Association officials announced that recodification of the banking

laws in South Dakota is planned for the next session of the legislature. To gain input, the Association plans a series of meetings June 9, 10 and 11 in Sioux Falls, Pierre and Rapid City, respectively.

### ABA Activities

Heading a list of outstanding speakers, Lee Gunderson, president-elect of the American Bankers Association and president of the Bank of Osceola (Wisconsin), discussed current legislative activities in the nation's capitol. He was critical of a proposal that would have banks withhold taxes on deposit interest at the source, calling it "an idea to discourage savers."

Mr. Gunderson also questioned the proposed Fair Credit Practices Act which would require banks to split credit balances on open-end accounts into different categories, applying one finance charge to balances accrued before new terms became effective

—and another to balances subsequently accrued. He termed the proposal an "operational nightmare" for banks offering credit card programs.

As money market CDs retreat to interest rates of nearly 9%, he noted that thrifts stand poised to exercise their authority to offer the extra quarter point of interest on this category of accounts.

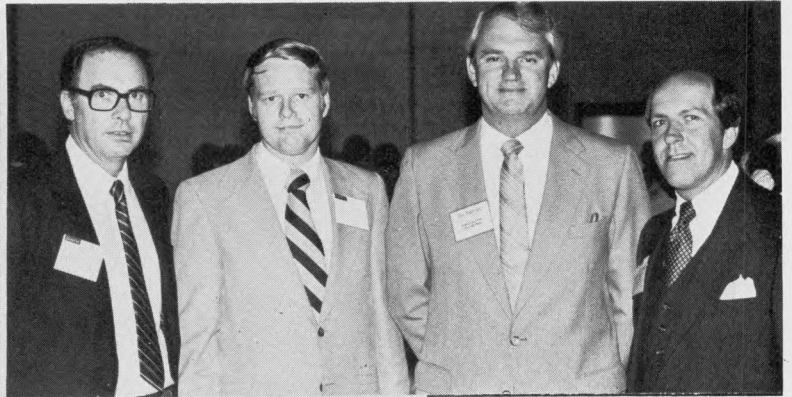
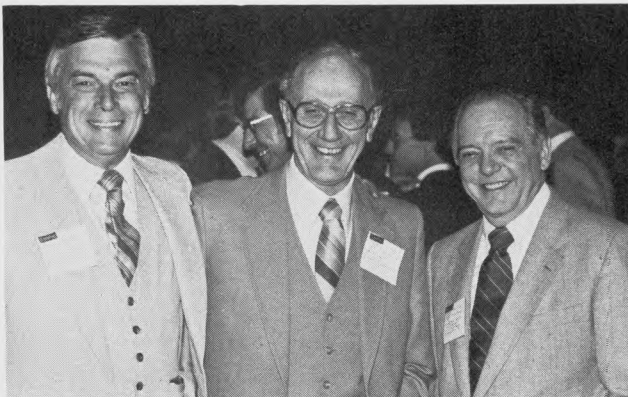
Mr. Gunderson described the ever-expanding role of the Farm Credit System, stating that it has privileges accorded no other lender. He added that it is exempt from usury laws, consumer protection statutes, and Federal taxation.

Concluding his comments, he said that bankers have encouraging news in that "truth in lending" has been simplified and a motion making cost/benefit study of all proposed banking regulations has been signed into law.

### Economy

"What Lies Ahead for American Business" was the title of a talk given by Dr. William Freund, senior vice president and chief economist of the New York Stock Exchange. Dr. Freund said that the inflation rate will be down to 10% by year-end. He indicated that even though the nation is heading into a deep recession, a turn-around will occur in 1981. He believes that savers will put money in longer term certificates and thereby help the housing market. He sees a strong underlying demand for housing in the 25 to 40 age group that will continue through 1986. Dr. Freund and Association officials, appearing at a special press conference, were at a loss to provide an answer to the current farm situation, describing it as a "depressing picture."

The 1981 annual convention will return to Sioux Falls on May 11-12.



**LEFT**—Rich Breyfogle, Toy Nat'l. Bank, Sioux City; Dwayne Halse, Farmers State Bank, Flandreau, and Ken Wales, First Nat'l. Bank, Minneapolis. **RIGHT**—Larry Buegler, NW Nat'l. Bank, Minneapolis; Kirk Dean, First Nat'l. Bank, Black Hills, Rapid City; Don Pederson, NW Nat'l. Bank, Minneapolis, and Larry Hansen, U.S. Nat'l. Bank, Omaha.



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# Pictures From South Dakota's 88th Annual Convention



**LEFT**—Truman Jeffers, Minnesota Bkrs., Minneapolis; Paulline Waltner; Lyla Jeffers, and SDBA Pres. Glenn Waltner. **RIGHT**—Don Lindeman, First Nat'l. Bank, St. Paul; Rose Anne Lindahl, and M. E. Lindahl, Wilmot State Bank.



**LEFT**—Mr. & Mrs. Bill Henry, First Nat'l. Bank, Omaha, and Houston Haugo, Valley Nat'l. Bank, Sioux Falls. **RIGHT**—Bev Roberts, Pierre; Tom Pohlman, Nat'l. Bank, Sioux City; Fran and Jim Hendricks, American State Bank, Vermillion; Ron Jenkins, Commercial Trust & Savings Bank, Mitchell, and wife, Eleanor.

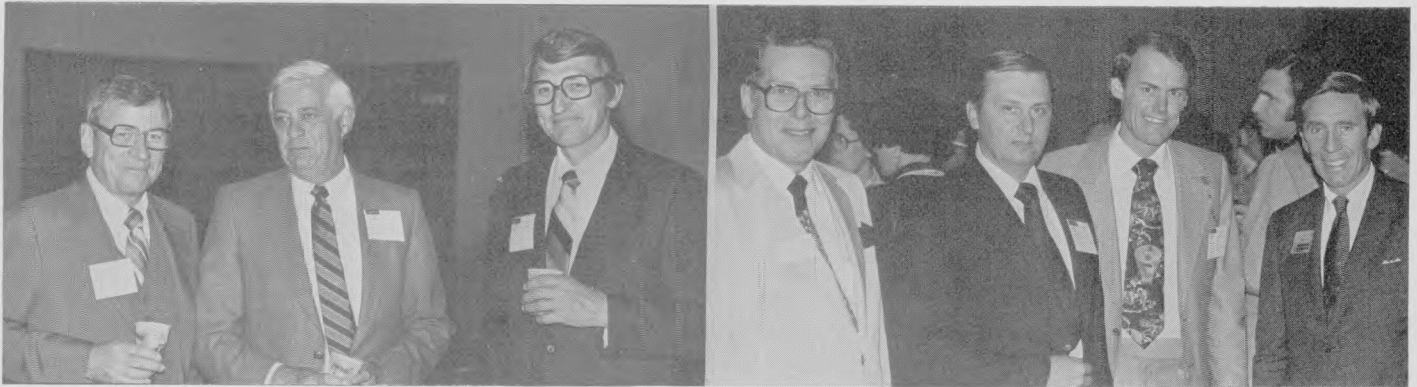


**LEFT**—Dick Holmes, Marquette Nat'l. Bank, Minneapolis, and Jim Hopkins, United Nat'l. Bk., Rapid City. **RIGHT**—Dennis Kirkeby, First Nat'l. Bank, Sioux Falls, and Bob Jacobson, American Nat'l. Bank, St. Paul.

# More Pictures From South Dakota's 88th Annual Convention



**SPEAKERS**—Glenn Waltner, SDBA pres.; Lee Gunderson, ABA pres.-elect, and Dr. Joyce Brothers.

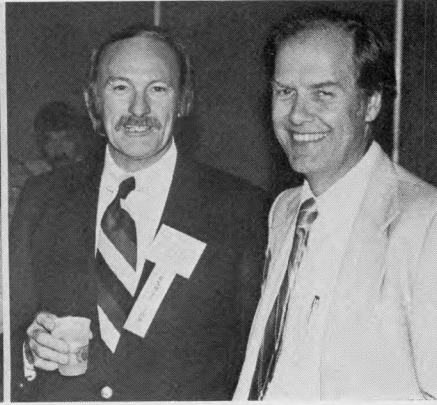


**LEFT**—Clyde McIntyre, Deluxe Check Printers, Marshalltown, Ia.; Charles T. Undlin, First Nat'l. Bank, Black Hills, Rapid City, and Jim Echtermeyer, United Bank, Vermillion. **RIGHT**—SDBA Pres. John Thomson, Bank of Centerville; Charles W. Ekstrum, First Nat'l. Bank, Philip; Lloyd W. Sohl, First Nat'l. Bank, Black Hills, Rapid City, and Peter E. Gillette, NW Nat'l. Bank, Minneapolis.



**GOLF-IN-THE-RAIN**—Lee Hamilton, First Nat'l. Bank, Minneapolis, and Verlyn Schmidt, Western Bank, Sioux Falls. **RIGHT**—Morris Winter, Andes State Bank, Lake Andes, and C. P. "Buck" Moore, NW Nat'l. Bank, Sioux Falls.

## More South Dakota Convention Pictures



LEFT—Gary Stevenson, First Nat'l. Bank, Sioux City, and Roger McKellips, State Bank of Alcester. CENTER—Earl Lundeen, Manufacturers Hanover Trust, N.Y., and Del Olson, Omaha Nat'l. Bank. RIGHT—"Bud" Weisser, Daktronics, Brookings, and Jerry Miller, J.T. Miller, Minneapolis.

### Sioux Falls AIB Group Holds Spring Meeting

Jean M. Ellingson, marketing officer of Western Bank in Sioux Falls, was awarded the eighth annual AIB Community Service Award at the recent annual spring banquet of the Sioux Falls Chapter of the American Institute of Banking. The award is presented for outstanding civic involvement among the banking community. Mrs. Ellingson began her banking career in 1960 and is the first woman to receive this recognition by the Sioux Falls group.



J. M. ELLINGSON

Special guests at the banquet included Dan Culey, AIB district council member from Aberdeen, and Larry McKeaigg, AIB executive council member from Kansas City, Mo.

### BankWest, Pierre, Elects Directors, New Officers

Five new directors have been elected to the board of BankWest, N.A., Pierre, according to Charles H. Burke, president. They are William V. Fischer, Francis Vander May, Marvis Hogen, Robert Burns and Charles (Rich) Oller.



W. V. FISCHER

Mr. Fischer is executive vice presi-

dent of BankWest and formerly served as senior vice president of The Pierre National Bank and concurrently as president of the Badlands State Bank.

Mr. Vander May owns and operates a farm and ranch south of Kadoka in the Wanblee area. Mr. Hogen owns and operates Hogen Hardware in Kadoka and serves in the South Dakota Senate.

Mr. Burns is president of Midwest Custom Pools in Vivian and Rapid City and owns the Vivian Telephone Company. Mr. Oller of Presho is retiring from his farming and ranching operation in the Vivian area.

The two new officers are Sandra Zinter, commercial loan officer, and Jack Lynass, agricultural loan officer. Both are with the main office in Pierre.

Ms. Zinter was most recently executive director of the Pierre Chamber of Commerce. She is a business graduate of the University of South Dakota.

Mr. Lynass was formerly director of dealer development and specialty sales for the Zip Feed Co. in Sioux Falls.

### L. L. Steele Dies in Huron

Leland L. Steele, 69, who retired last November after 35 years of service with Farmers and Merchants Bank of Huron, died April 11.

Mr. Steele joined the bank in October, 1944, served for many years as executive vice president, then was president of the F&M Bank from 1970 until his retirement. He



L. L. STEELE

had remained on the board of directors of the bank.

Mr. Steele was active in bank association work and politics for many years. He served as president of the South Dakota Bankers Association in 1970-71 and later was on the ABA Governing Council. He served in the South Dakota Senate, and recently had been selected as Republican of the Decade for the 1970s in Beadle County, where Huron is located.

Prior to joining the bank, Mr. Steele had worked for the State of South Dakota in the motor fuel division and state income tax division.

Survivors include Mr. Steele's son, Jack Steele, who is a vice president of the bank.

### United National Bank Names New President

United National Bank's board of directors announced recently that Hurley C. Wilson has joined the bank and will serve as president for the 21-branch bank system. Mr. Wilson steps in for Merritt J. Gates who has been promoted to vice chairman of the board. Stephen Adams will remain as United's chairman.



H. C. WILSON

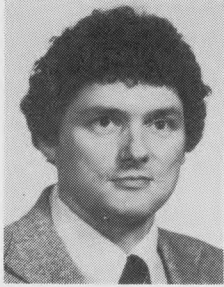
Mr. Wilson is a graduate of the University of Montana and the Graduate School of Banking at the University of Wisconsin. He began his banking career in 1955 with the First State Bank of Malta, Mont., and



joined the First National Bank of the Black Hills in 1963 where he had served as senior vice president since 1976.

Other personnel announcements include the promotion of Jeff Walter to assistant vice president and commercial loan officer at the main office, Sioux Falls. He is a Northern State College graduate and has been with United since 1976. He most recently served as manager of the Eastgate branch.

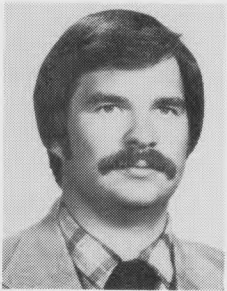
Replacing Mr. Walter is Joyce Olsen who has been promoted to



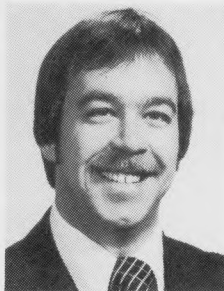
J. WALTER



J. OLSEN



K. J. HALLOCK



J. VANDENBERG

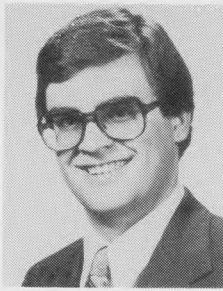
assistant cashier and branch manager. She joined United in 1974 and has served as EDP coordinator and operations supervisor of the mortgage marketing department.

K. James Hallock has joined United as assistant vice president and manager of the 41st Street branch. Mr. Hallock is a 1974 graduate of the Colorado School of Banking.

Jeff VanDenBerg has been promoted to consumer finance manager and transferred to the main office. A graduate of the University of South Dakota, he joined the bank in 1976 and most recently served as assistant cashier and assistant manager of the 41st Street branch.

**NW Sioux Falls Names Two**

Two new officers have been elected at the Northwestern Bank, according to C.P. "Buck" Moore, president. Pamela J. Planteen was elected personal loan representative, Colonial



S. L. JOHNSON



P. J. PLANTEEN

branch, and Steven L. Johnson was elected personnel officer, administrative office, Sioux Falls.

Miss Planteen, a graduate of Northern State College, became a management trainee in the main office following graduation.

Mr. Johnson has a psychology degree from the University of North Dakota and a masters degree in industrial psychology from the Georgia Institute of Technology, Atlanta. After working in the personnel department of Northwest Bancorporation, he has been working in personnel recruitment for the administrative headquarters since last August.

**National Bank of S.D. Announces Appointments**

The board of the National Bank of South Dakota has promoted three officers and elected five new officers, according to Nels E. Turnquist, president and chief executive officer.

James A. Borszich was promoted to assistant vice president and assistant manager-Presho branch; Mary Lou Nelsen to assistant vice president-Rapid City, and Cal Willemsen to assistant vice president-Sunset branch, Sioux Falls.

New officers elected were Terry Seierstad, trust investment officer, Sioux Falls; Stephanie Chester, trust administrator, Sioux Falls; Daniel Pranger, loan officer, Vermillion; William Koch, assistant vice president, Sioux Falls, and Louise Chaffee, loan officer, Sturgis.

Mr. Borszich joined the bank in 1974 as manager of the insurance agency. In 1979 he was elected an agricultural lending officer.

Mrs. Nelson joined the Rapid City office in 1973. She was elected marketing officer in 1976 and continues in that position.

Mr. Willemsen joined the main office in 1977. He transferred to the Sunset branch in 1978.

Mr. Seierstad joined the bank in

February after serving seven years as a securities analyst with Lutheran Brotherhood in Minneapolis.

Ms. Chester joined the trust department last September. She previously worked in the investment department of Dain Bosworth, Inc. and has a law degree from the University of South Dakota.

Mr. Pranger joins the bank after five years experience with a bank in South Sioux City, Neb. Mr. Koch recently joined the bank after serving as a credit analyst with First Bank System, Inc. in Minneapolis.

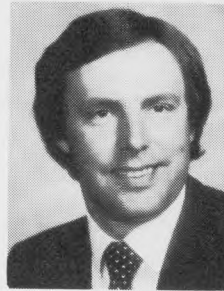
Ms. Chaffee joined the bank in 1970 and started the bank's management training program in June, 1979. Her new responsibilities will consist primarily of real estate lending.



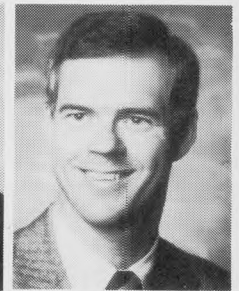
J. A. BORSZICH



M. L. NELSEN



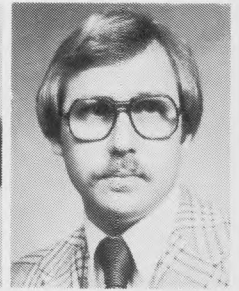
C. WILLEMSSEN



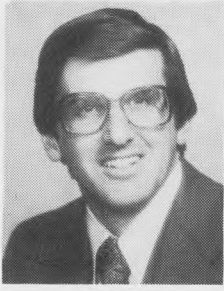
T. SEIERSTAD



S. CHESTER



D. PRANGER



W. KOCH



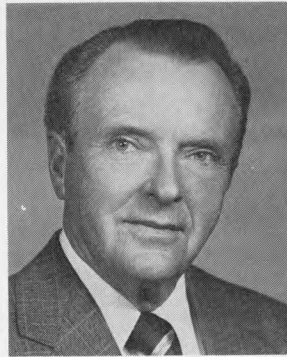
L. CHAFFEE



**G. W. McILVAINE**  
President



**G. E. COOKE**  
1st Vice Pres.



**A. E. BRADBURY**  
2nd Vice Pres.



**M. C. MUNDELL**  
Exec. Dir.

72nd Annual

# Wyoming Bankers Association Convention

Jackson Lake Lodge

June 11-13



**H. SIDNEY**

**J**ACKSON Lake Lodge near Moran, Wyo., will host the 72nd annual convention of the Wyoming Bankers Association June 11-13. WBA President George W. McIlvaine, president of the Saratoga State Bank, will preside at the two general sessions which will feature four guest speakers and the annual business meeting.

WBA officers serving with Mr. McIlvaine the past year are George E. Cooke, director, American National, Powell, first vice president, and Al E. Bradbury, president, First National Bank, Evanston, second vice president. M. Clare Mundell, Laramie, is executive director of the association.

The first day again will be devoted to sports activities, directed by a team of veteran "coaches" who have handled all arrangements under the direction of Athletic Director John Easterbrook, First National Bank of Laramie.

Golf coaches are John Edmiston, senior vice president, Denver National Bank, Denver, and Gene McMullen, senior vice president, First Wyoming Bank, Rawlins.

Tennis coaches are Dick Nelson, president, First National Bank, Powell, and Rick Fleming, First National Bank, Denver.

Fishing coaches are Dean Bark, vice president, Jackson State Bank, Jackson, and Sherrod France, president, Rawlins National Bank, Rawlins.

Registration packets may be picked up at the registration desk in the Lodge lobby from 10 a.m. to noon and 1:30 p.m. to 5 p.m. on Tuesday, June 10; 9 a.m. to noon and 1:30 p.m. to 5:00 p.m. on Wednesday, June 11, and 8 a.m. to 9:30 a.m. on Thursday, June 12.

Wednesday, June 11

P.M.

- 6:00 Social Hour, Stockade Terrace.
- 7:00 Indoor Picnic, Explorer's Room.
- 8:00 Entertainment, Faculty Jazz Trio.
- 9:00 Dancing to the music of the Allen Brothers. Casual Clothing.

Thursday, June 12

A.M.

- 9:30 First General Session. Presiding: G. W. McIlvaine, president WBA; president, Saratoga State Bank.
- 9:35 Pledge of Allegiance to the Flag.  
Invocation—Reverend John Wright, pastor, Our Lady of the Mountains Church, Jackson.
- 9:40 Welcome—John Turner, state senator, Teton and Sublette Counties.
- 10:00 Address—Hugh Sidey, Washington editor, Time Magazine.
- 10:35 President's Report—G. W. McIlvaine, president, Saratoga State Bank, Saratoga.
- 10:45 Address—Congressman Richard Cheney, U.S. Representative from Wyoming, Washington, D.C.
- 11:20 SBA Awards.
- 11:30 Report of Nominating Committee and Election of Officers—E. J. "Woody" Haines, president, First National Bank, Laramie.
- 11:45 Recess.
- Noon Joint luncheon preceded by refreshments—Antelope Room, ground floor.

## P.M.

Afternoon Free.

- 6:00 Social Hour, Stockade Terrace.  
 7:15 Seventy-Second Annual Banquet, Explorer's Room. Athletic Association will present awards during banquet.  
 9:00 Entertainment, Faculty Jazz Trio.  
 9:45 Dancing, The Allen Brothers.

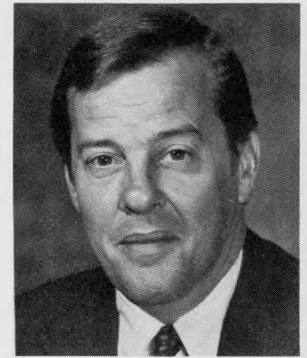
Friday, June 13

## A.M.

- 8:00 PEEPS (Past Presidents' Breakfast), Prospector's Room.  
 LES CHICKS (Past Presidents' Wives Breakfast), Vigilante Room.  
 9:30 Second General Session, Explorer's Room.  
 Presiding: George E. Cooke, first vice president of WBA; director, American National Bank of Powell.  
 9:30 Resolutions Committee Report—Robert W. McBride, chairman; chairman and executive vice president, First National Bank, Buffalo.  
 9:40 Address—Josephine Webster, president, National Association of Bank Women, Inc., Chicago, Ill.



J. M. WEBSTER



E. H. JENNINGS

- 10:15 Address—Dr. Edward Jennings, president, University of Wyoming, Laramie.  
 10:50 Association Business Session.  
 11:30 Adjournment.

## P.M.

- 12:30 Luncheon, Prospector's Room: officers of WBA; members of executive council. Hosted by newly-elected president of WBA, George E. Cooke. □

## You Will See Them at the 72nd Annual Wyoming Bankers Association Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the 1980 Wyoming Bankers Association Convention at Jackson Lake Lodge, June 11-13.

### Billings

**Security Bank:** Dick Kjoss and Jerry Woods.

### Chicago

**First National Bank:** Catherine D. Saccany, loan officer.

### Denver

**American National Bank:** Larry F. Pisacka and Roger R. Reiling, vice presidents.

**Central National Bank:** Don Echtermeyer and Bill Tumelty.

**Colorado National Bank:** Lance Johnson, vice president, and David Fowler, assistant vice president.

**First National Bank:** Terrance J. Tangen and Harry Devereaux, assistant vice presidents, and Charles Hall Jr., correspondent bank officer.

**Security National Bank:** John Edmiston and Steve Sheridan.

### Lincoln

**First National Bank:** Gary L. Bieck, vice president and manager, and Mark Zaback, correspondent officer.

### Omaha

**Omaha National Bank:** Thomas N.

Moore, executive vice president; Jack H. Babcock, J. D. Clements and Bruce Hendrickson, vice presidents.

**Packers National Bank:** Wesley D. Bowen.

**United States National Bank:** James R. Campbell, president; Larry H. Hansen and Howard Nielsen, vice presidents.

### Seattle

**Seattle-First National Bank:** Samuel R. Noel, vice president and manager; Arthur L. Manegre, vice president and area manager, and George E. Lovell, assistant vice president.

### Bank Equipment and Other Firms

**Bank Building Corporation, St. Louis:** Hank Hanson, consultant services manager.

**Diebold, Inc., Canton, Ohio:** Leonard Shriver, regional manager, and Dave Brooker, sales representative.

**Financial Institution Services, Inc., Nashville:** Bill Graves, area director.

**First Mid America, Inc., Omaha:** Gary Fenster.

**Kirchner Moore & Company, Denver:** Bill Potocnik and Louis J. Swiatek, vice presidents.

**Mosler Safe Company, Hamilton, Ohio:** Bill Smith, regional sales manager, and John Tharp, sales representative.

**Scarborough and Company, Chicago:** Jim Lloyd.

**United States Check Book Company, Omaha:** Ed Batchelder, sales manager, and Wayne Kincaid, representative.

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# WBA President Views State's Economy; Legislative Session Update Presented

By M. CLARE MUNDELL  
Executive Director  
Wyoming Bankers Association

By G. W. McILVAINE  
President  
Wyoming Bankers Association  
President  
Saratoga State Bank

**B**ANKS in the state of Wyoming during 1979 continued to show approximately the same growth rates as has been seen during the past three or four years. Deposits for all banks increased approximately three hundred and thirty million dollars during 1979, an increase of 13.7% for the year. Overall loan totals grew approximately 10%, indicating a continued strong demand for credit. Bank profits were also strong. Total equity capital increased 15%.



G. W. McILVAINE

At this point in time, the national economic picture is causing some de-

crease in activity in Wyoming and although unemployment rates remain lower than the national average, there are soft points in Wyoming's economy. The building industry is showing a substantial decrease in business. With Wyoming being a large producer of lumber products, these industries are also showing the effects of the building slowdown. Farmers involved in the production of grains are faced with the same problems affecting the midwest growers and while livestock prices are somewhat depressed from the past two or three years, this portion of the agricultural industry has not shown the same problems as the crop producers.

We can expect, if interest rates remain high and funds scarce, that many of our small businesses and agriculture will suffer.

Energy production areas within the state will probably not feel the pains of a recession as much as other parts of the country. The high cost of funds will undoubtedly reflect in bank profits this coming year.

**T**HE 1980 annual legislative session was the "budget" session and, therefore, only a relatively few bills were introduced which did not deal directly with budgetary matters.



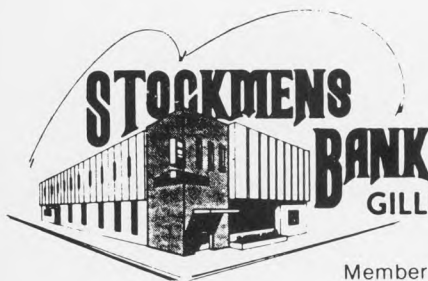
M. C. MUNDELL

The following acts affecting banking were signed into law and represent some very satisfactory changes.

1. Senate Enrolled Act No. 11 increases the authorization for the Wyoming Community Development Authority to \$750 million. The Legislature also toughened some of the abuses. First, "reasonable priority" must be given to individual home purchasers before committing money to contractors, builders, real estate developers and real estate agents. Second, the money committed may clearly be used for their new or existing residential dwellings. Third, a criminal penalty of \$1,000 and one

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year in jail has been created for persons making false statements or applications. Fourth, any person assuming the loan must qualify under the rules and regulations to the extent they do not conflict with any federal programs. Fifth, the Authority must submit a report every year to report on the results of the bonds, investment, and use of the funds. This is an oversight committee. Sixth, when any bonds are issued, the total principal amount of the bonds are subtracted from the total authorization and may not be again reissued or reused even if the bonds have been retired, redeemed or refunded. The bill was effective March 5, 1980.

2. Senate Enrolled Act No. 17 increases the application for filing fees from \$3,500 to \$7,500. That law was effective March 5, 1980.

3. Senate Enrolled Act No. 23 provides, among other things, that banks and savings and loan associations are no longer required to submit annual reports or pay annual license fees to the Secretary of State. The new law becomes effective on June 2, 1980, and will, therefore, be applicable for the 1980 reporting (which is July 1, 1980).

4. House Enrolled Act No. 4 provides that the Wyoming state bankruptcy exemptions, rather than the federal exemptions, will apply where Wyoming law is applicable on the date the petition is filed, and the debtor has been a resident of Wyoming for 180 days before the date of filing. That bill became effective on March 3, 1980.

5. House Enrolled Act No. 25 provides for rather severe penalties for check fraud, and exempts banks from criminal or civil liability after a warrant has been issued for releasing information relating to the drawer's account. That law is effective June 2, 1980.

6. Senate Enrolled Act 14 provided for amendments to the Probate Code. None of the amendments are objectionable and, in fact, can benefit the banks. I have not yet received a copy of the new Probate Code, but it is my understanding that the Code and the amendments went into effect on April 1, 1980.

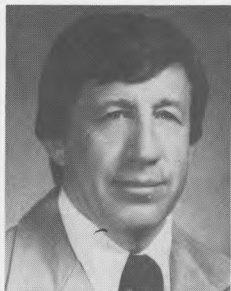
### Heads Bank Trust Division

Robert W. Miracle, president of Wyoming National Bank of Casper, has announced the promotion of James Watson to vice president,

senior trust officer and manager of the trust department.

Mr. Watson joined the bank in 1960 and was elected to officer status in 1967. He has a BS degree in business administration from Denver University and graduated from the Pacific Coast Banking School.

## Colorado



D. L. Farmer, pres., Rocky Ford

### First Nat'l., Bear Valley Opens New Headquarters

The First National Bank of Bear Valley recently opened a new \$5 million banking center—the largest in southwest Denver—at 5353 W. Dartmouth Ave.

In making the announcement Robert Binder, president, said the bank will continue to provide limited services in its present facility in the Bear Valley Shopping Center, which will supplement the new location.

First of Bear Valley will occupy the lower banking level and first two floors of the new five-story, 72,000 square foot office building.

Customer service and operations departments will be located on the lower level, with the first floor housing the bank lobby, teller line, safe deposit area and new accounts department. The second floor will include the executive offices, conference rooms and all lending departments.

### Holding Co. Names Two AVPs

Colorado National Bankshares, Inc., Denver, recently announced the promotion of Edward J. Vanderslice and Sidney J. White to assistant vice president.

Mr. Vanderslice graduated from the University of Nebraska with a major in accounting. He joined Colorado National Bank in 1974 as an

accountant and in 1979 transferred to the holding company's accounting department.

Mr. White graduated from the University of Colorado with a degree in business. He joined Colorado National Bank in 1973 as an accountant and in 1979 transferred to the accounting department of the holding company where he is responsible for all financial reports to management, shareholders and governmental agencies.

### Named Vice President, NCNB

Dan Clark, president of Northeast Colorado National Bank, Denver, recently announced the promotion of John T. Mathews to vice president in charge of loans.

Mr. Mathews has 12 years bank experience in data processing, sales and service, customer service and instalment lending. He attended Trinidad Junior College and the University of Wyoming and holds a real estate license.

### CONVENTION REPORT

The Colorado Bankers Association convention was underway as this issue was mailed. The complete report with pictures will appear in the July issue.

### Central Bank of Denver Announces Appointments

The board of Central Bank of Denver has announced the promotion of three employees and the election of three others to officer positions.

Jerry C. Starks was promoted to vice president in the operations division. He has a bachelors degree in accounting from St. Benedict's College in Atchison, Kan., and joined Central in 1971. He has served as an assistant vice president since 1976.

Jerry W. Keel and Eileen S. Neill were promoted to the rank of assistant vice president.

Mr. Keel, who is a petroleum engineer, has a bachelors degree in chemical engineering from Tulane University. He joined the bank in 1978 and formerly was a natural resources banking officer.

Ms. Neill joined the bank in 1977 and formerly served as a product development officer. She has a bachelors degree from Cornell University

and an MBA from New York University.

James S. Fallon has a bachelors degree from Rutgers University. He joined the correspondent banking division in February and will serve as correspondent banking officer. He was previously employed by First National Bank of Denver.

Marcia A. Fitzgerald joined Central's human resources division in January and will serve as human resources officer.

Alfonso Strock has a bachelors degree in accounting from Metro-

politan State College. He joined Central in February in the credit department where he will serve as credit officer.

### New Commercial Bank Opens Tech Center Office

Colorado Bank-Tech Center, the first full service commercial bank in the Tech Center, opened for business in April. Garth Thomas is president of the new facility, which is located east of Marina Square at 8401 E. Belleview, and is a subsidiary of Col-

orado National Bankshares, Inc.

The new bank employs 12 people. Besides Mr. Thomas, who is the former president of Boulevard Colorado National Bank, the new facility is staffed by H. Daniel Pierson, vice president and cashier, and Mayo "Corky" Dodd, business development officer.

"Colorado Bank-Tech Center will complete the area and blend into the environment with lush landscaping and an aesthetic building," Mr. Thomas remarked. The modular building will be surrounded by a green area and the bank's dark wood interior will be highlighted with cinnamon and navy accents. The facility design will soon offer an in-house automated banking machine.

### Promotions Announced at Colorado National Bank

Colorado National Bank, Denver, recently announced several promotions. Named to the position of assistant vice president were Ruby R. Cole, Luke D. Knecht, Barbara A. Henderson and Michael A. Strada.

Ms. Cole, who joined the bank in 1968, is division manager for Visa output responsible for Visa account control and Visa interchange. Mr. Knecht, who joined the bank in 1974, is in the investment division responsible for taxable bond trading and portfolio management.

Ms. Henderson joined the bank in 1976 and is responsible for coordination of banks for the Visa banking program in the electronic banking services division. Mr. Strada, who joined the bank in 1967, is in electronic banking services responsible for the development and support of all on-line application.

James M. Bahl and Dwight S. Kitano were elected officers. Mr. Bahl joined the bank in 1977 and is now responsible for supervising accountants working on financial and regulatory reporting for all affiliate banks. Mr. Kitano is teller communication supervisor responsible for the teller processing network and maintaining the Plus System environment.

Gregory J. Ellena was elected a real estate loan officer responsible for a commercial real estate loan portfolio. He joined the bank in 1977. Michael G. Huntoon, who joined the bank in 1976, has been named marketing officer responsible for bank marketing research and business development administration.

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PRESIDENTS. OUR  
CORRESPONDENT  
BANKING GROUP  
HAS PRODUCED 11.**

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### Evergreen Bank Promotes 3

Donald L. Beachler, president of the First National Bank, Evergreen, has announced the promotion of three officers. Charles T. Smith was named vice president and cashier, Virgil D. Rice was named vice president, and John E. Lombardi is now a loan officer.

Mr. Smith joined Colorado National Bank in 1964 and moved to Northeast Colorado National Bank in 1965. He moved to the Evergreen bank in 1975, where he is in charge of all lending functions.

Mr. Rice has over 20 years of banking experience. He was formerly vice president and cashier of Overland Park State Bank in Kansas.

Mr. Lombardi is responsible for installment and commercial loans, review and collection. He joined First National from Colorado National Bankshares, Inc. where he served as examiner and auditor for five years.

### Promoted to VP-Lending

William R. Frogge, president of Lakewood Colorado National Bank, has announced the promotion of Barrett L. Willett to vice president in charge of the lending area.

Mr. Willett had 16 years banking experience before joining Lakewood Colorado as assistant vice president. A graduate of the University of Houston, he was formerly senior vice president at Texas Commerce Bank in Conroe.

### Displays Photo Mural

Central Bank of Denver recently unveiled an 80-foot long photo mural in its lobby which focuses on the character of the central Denver area.

The mural, which shows the oldest and newest parts of central Denver, consists of 30 colorful panels each four feet high. As the seasons pass and as new buildings are erected, the photo mural will reflect these changes.

### Named at Denver National

The appointment of Gloria S. Schofield to assistant trust officer, trust department of Denver National Bank, was announced recently by Gale Sellens, president.

She has a BA in business management and finance from Colorado Women's College and was formerly trust officer and supervisor of retirement trust services for Lincoln Trust Company of Denver.

William C. Barnett Jr. was appointed assistant cashier in charge of the loan administration department. He joined the bank in 1978 as a loan adjuster and most recently was with Affiliated Bankshares' Denver division audit department as senior staff auditor. He has a BS degree in business administration from The Citadel in Charleston, S.C.

### United Banks of Colo., Inc. Elect Directors, Officer

Three new directors have been elected to the board of United Banks of Colorado, Inc., Denver, according to N. Berne Hart, chairman and president.

John J. Bugas, Robert P. Hackstaff and Jerome A. Lewis fill positions created by the resignation of John D. Hershner, former chairman of United Bank of Denver, and Hall H. Keltz and Henry D. Williams, who did not run for re-election.

Mr. Bugas is president of the Colorado-Ute Electric Association, Inc. Mr. Hackstaff is president and a director of Frederick Ross Company, a commercial real estate firm. Mr. Lewis is chairman and president of Petro-Lewis Corporation and a veteran independent oil operator.

Mark L. Swanson has been named manager of the holding company's economic development department. He joined the department six years ago as a research analyst and served most recently as assistant director of property planning and management. He has a masters degree in public administration from the University of Colorado.

### United Bank of Denver Announces Appointments

United Bank of Denver has announced the promotion of several staff members. Named assistant vice presidents were John A. Green, J. Robert Ward, William L. Wong, Peter Hosakawa, Frances B. McDonald and Robert L. Seymour.

Mr. Green joined the bank's commercial banking department in March. He has BA and MBA degrees from the University of Iowa. Mr. Ward joined the bank last August and is market manager of the commercial finance department.

Mr. Wong, who joined UBD last October, is market manager of mortgage banking. Mr. Hosakawa, a University of Denver graduate, joined the bank in March as the national accounts market manager.

Ms. McDonald, manager of employment in the human resources division, has been with the bank since 1971. Mr. Seymour joined UBD in 1978 and is manager of the operations division support group.

Also appointed were James B. Bills, mining engineer officer; Wanda J. Myers, personal banking officer; Michael B. Geppner, pension trust officer; Christine M. Rafalko and Lyndol B. Carter, commercial banking officer, and Keith A. Spears, operations officer.

### Comptroller Promotions

Comptroller of the Currency John G. Heimann has named Edmund G. Zito as chief national bank examiner and Peter C. Kraft as regional administrator of national banks for the Twelfth National Bank Region in Denver.

Mr. Zito joined the OCC in 1970 in New York and most recently has been assistant chief national bank examiner at Washington, D.C., headquarters. Mr. Kraft joined the Comptroller's staff in 1968 in San Francisco and most recently has been acting regional administrator in Denver.

Mr. Heimann also announced the appointment of two deputy regional administrators. Kenneth W. Littlefield, a national bank examiner and executive assistant to the regional administrator in the Tenth Region (Kansas City), has been appointed deputy regional administrator for planning and operations in the 14th Region in San Francisco. Frank J. Coughlin, a national bank examiner in the 14th Region, has been appointed deputy regional administrator for examinations under Mr. Kraft in Denver.

### Stonier School Is Full

The incoming class is now filled for the 1980 session of The Stonier Graduate School of Banking, the senior educational arm of the American Bankers Association, it was announced by Dr. William H. Baughn, Stonier director.

"We accepted 602 applicants for the class entering in June, and an additional 37 applicants from the waiting list as vacancies occurred," Dr. Baughn noted. Thus, all applications received between now and Oct. 15, 1980, will be considered by the admission committee for entry in June, 1981.

Graduation requirements include extension work, and attendance at each of the three summer sessions on the campus of Rutgers - The State University, New Brunswick, N.J.



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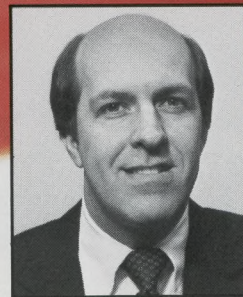
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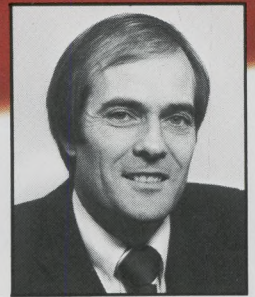
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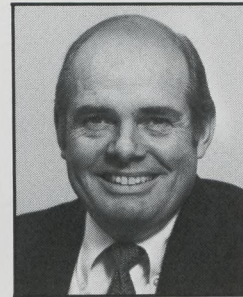
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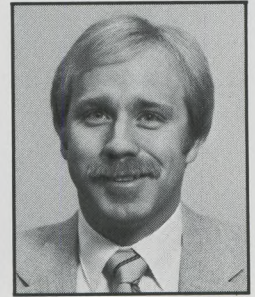
Bob Harris



Howard Nielsen



John Lewis



Myron Peterson

## US NATIONAL BANK of Omaha





**NBA OFFICERS** for 1980-81 (from left): Immed. Past Pres.—**James W. McBride**, pres., 1st Nat'l. B&T, Aurora; Pres.—**Jerry E. Roe**, pres., Bank of Bennington; Pres.-Elect—**W. W. Cook Jr.**, pres., Beatrice Nat'l. B&T, Beatrice, and **Roger M. Beverage**, exec. v.p., Lincoln.

## New NBA President Jerry Roe Announces Task Force to Study Bank Structure

By **BEN HALLER, JR.**  
Editor

**P**OTENTIAL changes in banking structure in Nebraska will be given a thorough examination by a blue ribbon Structure Task Force appointed during the Nebraska Bankers Association's 83rd annual convention in Omaha last month by the new NBA president, Jerry E. Roe, president of the Bank of Bennington.

The Task Force is comprised of representatives from the five largest banks in Omaha and Lincoln, as well as chief executives of 15 community banks from across the state. After a series of meetings throughout the state, which will provide every bank an opportunity to be heard, a report from the committee is to be given to the NBA executive council at that body's meeting in Norfolk next October. A legislative program is expected to develop from that report which can be supported by all members of the NBA and eliminate the sharp differences that have characterized divided approaches to the Nebraska legislature in recent years.

Mr. Roe made his Task Force appointment during a brief speech of acceptance when he was elected to succeed James W. McBride, who was

president of the NBA this past year and also is president of First National Bank and Trust Co. in Aurora. Mr. McBride had called for an end to "civil war" of recent years, and Mr. Roe followed with the committee appointments. Their comments appear later in this report in a special section.

Serving with Mr. Roe in the coming year will be William W. Cook, Jr., as NBA president-elect. Mr. Cook is president of Beatrice National Bank & Trust Co., Beatrice. Mr. McBride, Mr. Roe and Mr. Cook all are sons of former NBA presidents. The senior Mr. Roe and Mr. Cook are still living and are active as chairman of their respective banks.

In addition to the Task Force appointment, another announcement of major importance came from S. N. Wolbach, chairman and chief executive officer of First National Bank, Grand Island, during his report as retiring president of the Nebraska Electronic Transfer System. Mr. Wolbach said he had "good news" to report by informing NETS members that the organization will be continued beyond October 31, 1980, when the contract for central switch operation by MICOR terminates. Negotiations are underway, it was learned later, between NETS and the Iowa Transfer System to consider the possibility of the ITS central switch, which is operative for all Iowa

banks, to operate the switch also for NETS. The United States National Bank of Omaha, one of the data processing centers for NETS, is compatible with ITS. The Omaha National Bank, which re-entered NETS earlier this year, is now programming its system and reportedly can adapt easily to ITS. First National Lincoln and National Bank of Commerce, both in Lincoln, must find a means and agree to re-program to be compatible with ITS. If that is accomplished, it is probable that the two states would operate with the same central switch, the first such across state line electronic linkup between two states in the nation. Nebraska and Iowa Bankers Associ-

### Elections

#### Nebraska Bankers Association:

**President:** Jerry E. Roe, president, Bank of Bennington.

**President-Elect:** Wm. W. Cook Jr., president, Beatrice National Bank & Trust Co., Beatrice.

**Immed. Past Pres.:** James E. McBride, president, First National Bank & Trust Co., Aurora.

**Exec. Vice Pres.:** Roger M. Beverage, Lincoln.

#### NBA Executive Council [three years]:

L.J. Fox Jr., president, First National Bank, Albion.

Joe J. Huckfeldt, president, Gering National Bank & Trust Co., Gering.

Ronald J. Krejci, president, Schuyler State Bank, Schuyler.

Robert W. Johnson, executive vice president, State Bank of Commerce, Lincoln (banks over \$200 million).

Harold M. Walton, president, Center Bank, Omaha (banks under \$200 million).

Appointed to one-year term to fill vacancy left by Mr. Cook:

Dick Hahn Jr., executive vice president and cashier, Carson National Bank, Auburn.

\* \* \*

American Bankers Association (two-year term on executive council, effective at close of ABA convention in October, 1980);

James W. McBride.

\* \* \*

#### Nebraska Electronic Transfer System [NETS]:

**President:** James D. Lutes, president, Scribner Bank, Scribner.

**Vice Pres.:** A. C. "Skip" Hove Jr., vice president, Minden Exchange Bank & Trust Co., Minden.

**Secy.-Treas.:** Roger M. Beverage, Lincoln.

**Counsel:** Wm. Brandt, Lincoln. Three-year terms on NETS board:

James Howe, president, First National Bank, David City.

Tom Allen, president, The Omaha National Bank, Omaha.

James Nissen, president, National Bank of Commerce, Lincoln.

Robert Zabawa, president, American National Bank, Omaha.



Outgoing NBA Pres. **Jim McBride** receives a plaque from new Pres. **Jerry Roe**.



Speaker **Clayton Yeutter**, pres., Chicago Mercantile Exchange, visits with NBA's **Roger Beverage** before going on stage.

ations were in the forefront of EFT statewide systems and central switch operations a half dozen years ago.

The convention opened Sunday evening with dinner at the Hilton Hotel, followed by a rousing evening of entertainment at the nearby Orpheum Theatre where the University Scarlet and Cream singers put on one of their dazzling performances for an appreciative audience. They were followed by Pete Fountain and his New Orleans musicians, who staged a non-stop, 45-minute show that had every toe tapping in rhythm.

Opening the convention Monday morning at the first business session was the new color sound slide film prepared jointly by Nebraska with several other upper midwest state banker associations. It is titled "Banking: Good Fortune in the '80s," and gives a concise look at the problems, competition and the opportunities ahead for commercial banks in the coming decade.

**C. C. Hope, Jr.**, president of the American Bankers Association, was the first platform speaker. Mr. Hope and his wife, Mae, were present for a good share of the Nebraska convention, an opportunity the ABA

president uses in each state to visit with a great number of bankers and get their feelings about banking problems that are pursued on their behalf by ABA in the nation's capital. He gave a report on the progress of legislation pending, the recently enacted HR 4986, and discussions now in progress with the White House staff concerning reports now being developed by ABA Task Forces on inflation, energy and federal regulation.

**Dr. Clayton Yeutter**, president of the Chicago Mercantile Exchange, said "it is hard to be optimistic about 1980, but I have been saying for a year that 1980 would be tough. What astounds me is that no one in the USDA saw that and now they are trying to lock the barn door." Dr. Yeutter said "the grain embargo was very damaging and is at the heart of many of our troubles. I felt then it was a mistake and still do. Farmers responded patriotically, but changed their attitude when they discovered no message was sent to the Kremlin. We have handed some substantial markets to our competitors and will suffer long-term damage. We will feel the effects of this for years."

Dr. Yeutter said there should have been a set-aside program for 1980, and if there is a big crop in 1980 then that move will be imperative. There could be greater movement of grain through futures exports, he stated. Dr. Yeutter also said it is highly important that farmers and their bankers understand risk management, which includes the proper use of futures in hedging-in price levels and profits on each crop of grain and livestock. He offered CME facilities for conducting seminars in Chicago or in communities where desired.

**Dr. Wayne Dobson**, Abbott Professor of Banking at the University of Nebraska, gave a brief economic outlook, in which he pictured short-term rates fluctuating more, and long-term rates being responsive to inflation and, therefore, being down by the third quarter of this year. He expects a prime of 10-12% by the end of the year and maybe lower; a federal budget still unbalanced; unemployment at 7½-8%. He expects Nebraskans to feel the recession more than they have in previous recessions, noting there will be lower demand with "some banks taking a beating" with lower profits.



**JIM TUNNEY**



**PAUL NADLER**



**GEORGE MORVIS**

# More Nebraska Convention Pictures



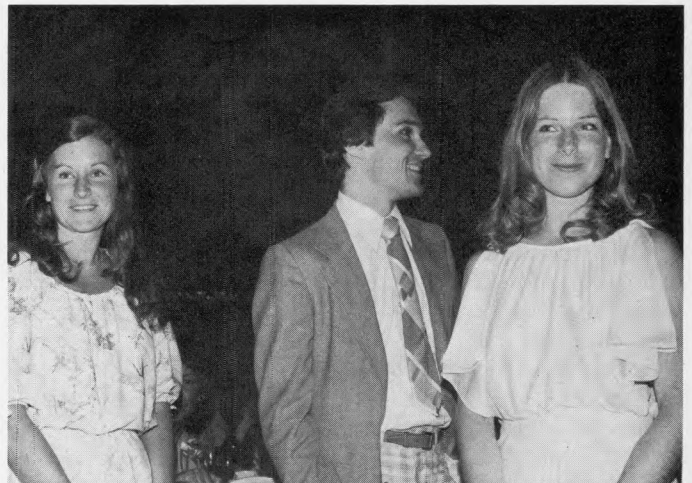
**John Martin**, v.p., Omaha Nat'l., and **Ray Steffensmeier**, pres., 1st Nat'l., Beemer.



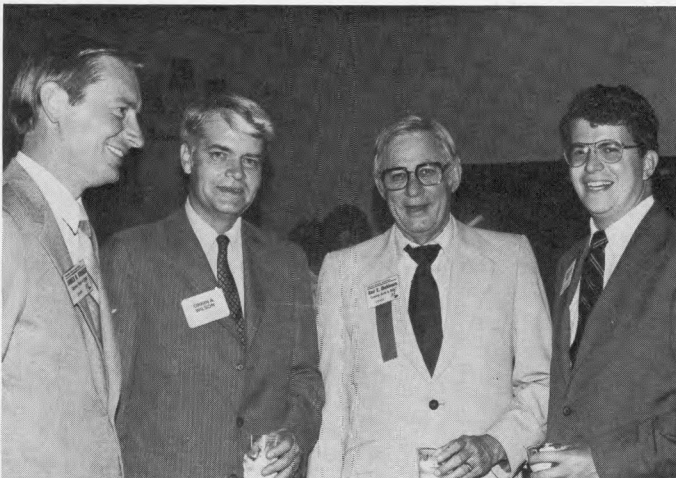
**John D. Clements**, v.p., and **Tom Allen**, pres., both with Omaha Nat'l., visit with **John M. Peck**, pres., 1st Nat'l. B&T, Columbus.



**Jim Nissen**, pres., Nat'l. Bank of Commerce, Lincoln, listens to **Karl Dickinson**, pres., Gateway B&T, Lincoln.



NBA staff members **Marcia Hecox**, bookkeeper; **Dave McBride**, dir. of comm., and **Kathy Powers**, exec. secy., were introduced at the banquet.



**Jim Kruger**, exec. v.p., Gateway B&T, Lincoln; **Orrin Wilson**, v.p., Northern Trust, Chicago; **Karl Dickinson**, pres., Gateway B&T, and **Ham Kerr**, comm. bkg. off., Northern Trust.



**Dave Warnemunde**, pres., Winside State; **Gary Stevenson**, v.p., 1st Nat'l., Sioux City, Ia., and **Nancy Warnemunde**.



NBA business meeting panel featured, from left: **Roger Beverage**, NBA exec. v.p.; incoming Pres. **Jerry Roe**, and Past Presidents **Harold Larmon**, pres., 1st Nat'l., McCook, and **Karl Dickinson**, pres., Gateway B&T, Lincoln.



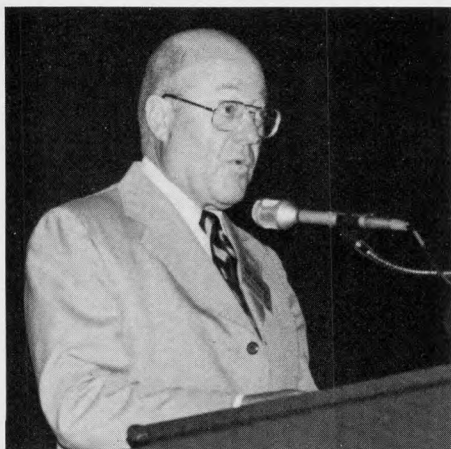
Legislator Panel (from left): **Sen. Dave Landis**; **Sen. Frank Lewis**; **Bill Brandt**, NBA legis. counsel; **Sen. John DeCamp**, chmn. of the banking committee, and **Sen. Loren Schmidt**.

U.S. Rep. **John Cavanaugh** made his third straight appearance at the NBA convention and apparently this one was his last in that capacity since he is not running for re-election and will return to his law practice in Omaha. He urged Nebraska bankers in strong terms to reconcile their differing viewpoints on structure, since structure change will be forced on them by national forces and said they would be better served by having some voice in the structure change, rather than continuing in split factions.

**Dr. Jim Tunney**, a Los Angeles business consultant who is better known to millions as one of the National Football League's top referees, gave an interesting look at "winners" and "losers" on and off the sports fields.

**George Morvis**, president of Financial Shares Corp., Chicago, Ill., gave a slide presentation on "Marketing Bank Services in the '80s," that stressed the need for better knowledge of costs, fair pricing, and an aggressive program to restore a better market share to banks in the coming decade.

A sobering look at "Nebraska's



**Bud Wolbach**, outgoing pres. of NETS, and chmn. & c.e.o., 1st Nat'l., Grand Island.

Competitive Financial Picture" was furnished through a set of slides offered by NBA Executive Vice President Roger M. Beverage.

**Don Peterson**, chairman of the NBA committee on Marketing and Education, and marketing vice president at The Omaha National Bank, followed this with a report on the NBA advertising program. He announced an ad budget of nearly \$250,000, which will project NBA into all TV markets in the state with 30 and 60 second commercials. He noted, also, that each of the two largest s&ls in Nebraska spend more than \$1 million apiece in advertising. The new NBA commercials were shown and heard by means of special equipment during the program.

**Dr. Paul Nadler**, professor of finance, at Rutgers University, closed the convention with his emphatic remarks on "what's right with America!" After reciting all the known facts about the current recession, and again reminding his audience of his long-standing dislike for buying gold, silver, coins, stamps and antiques as inflation hedges, Dr. Nadler said, "if Congress will support the current inflation fight, we'll break it. If they try to jack up the economy prior to the election, we will have a disaster."

Pointing to the advent of NOW accounts, Dr. Nadler said "they will not be your death...they will be the cheapest money you can buy!" Concerning the fear of interstate and national branching, he said if a small town customer has a card with a New York bank and one with a local bank, the customer will undoubtedly repay first the local banker whom he knows. "If you do your job," he said, "people will stay with you."

He spoke of the good future for the United States and labeled inflation and energy as our two greatest

problems, ones that are receiving attention and will ultimately be resolved. □

## Comments on Nebraska Bank Structure

Following are remarks by the outgoing president, the incoming president and the Past President's Council representative during the business session at the Nebraska Bankers Association convention in Omaha:

**James W. McBride**, retiring NBA president: This has been a bitter year with the internal bickering and fighting that we have had on LB 491, the limited branch banking bill, and LB 69, which was the multi-bank holding company bill. Structure change legislation has come up on a yearly basis and each year it is becoming more of a divisive factor in limiting the effectiveness of our lobbyists and we bankers in visiting with our senators. To be brutally blunt, they are sick and tired of seeing us with our continual fight over this legislation.

I have maintained during the past two years while I have served as your president-elect and president a position of being supportive of the position that was taken by the executive council of your association. I end my term as your president on Tuesday, noon, so I now wish to state and express to each of you my personal position on both of these pieces of legislation.

I have been very much opposed to limited or unlimited branch banking and multi-



**Don Peterson**, chmn. of NBA committee on marketing and education, and v.p., The Omaha Nat'l.

## More Nebraska Convention Pictures



**Harold Stuckey**, pres., Lexington State; **Bill Smith**, pres., 1st Nat'l., Lincoln; **Bill Cook**, pres., Beatrice Nat'l. B&T, and **Bob Harris**, exec. v.p., 1st Nat'l., Lincoln.



**Glenn Adair**, exec. v.p., Springfield State; **Marvin Hefti**, corr. bk. off., and **Gary Bieck**, v.p., both with 1st Nat'l., Lincoln, and **Jerry McKibbin**, pres., Minatare State.



**Betty Jo Harris** and **Linda Bieck**, whose husbands are exec. v.p. and v.p. of 1st Nat'l., Lincoln, and **Paula Beverage**, whose husband, Roger, is NBA exec. v.p.



**Gus Scholz**, chmn., 1st Nat'l., Falls City; **John Burt**, reg. adm. of nat'l. banks, Kansas City; **Jim Black**, pres., Cones State, Pierce, and **Bill Brandt**, NBA legislative counsel.



**Ernie Thayer**, pres., Commercial Nat'l., Grand Island; **Benton O'Neal**, sr. v.p., 1st Nat'l., St. Joseph, Mo., and **Don LacKamp**, sr. v.p., 1st Nat'l., Kansas City, Mo.



**Kirk Reed**, corr. bk. off., and **George Acker**, sr. v.p., both with 1st Nat'l., Denver, and **Bob Finke**, sr. v.p., Scottsbluff, Nat'l.



**Judee Wortman**, NBA receptionist; **Dave Berkheim**; **Jackie Berkheim**, NBA adm. asst. who helps stage and synchronize all events of the annual convention each year, and **Kathy Powers**, NBA



exec. secy. to the dir. of communic.  
**Dorothy McBride**, receives a gift from new NBA Pres. **Jerry Roe**.

bank holding companies. Contrary to the opinion of at least one, if not more, bankers, I am not supportive of any group of large banks and their position on these types of legislation. I believe that the association has set forth in the past, and has this year expanded, an interest in trying to maintain a voice which reflected the position of the majority of the banks of this state.

Ladies and gentlemen, I have been wrong in my position of opposition. It is not the largest bank, the smallest bank, or any one of us individually that has caused the problems that we see in our legislature today. It is all of us and our attitude of non-compromise. Banking is changing. We must change. We must compromise. We must come up with a position that can be presented to the legislature in this next legislative session that will take from the yearly calendar this increasingly bitter fight over the matter of structure.

We are going to have branch banking on December 31, 1980, through legislation passed by the Congress of the United States in HR 4986.

We are going to have further competition. Branching is here. Ladies and gentlemen, it is past time for us to stop our continual fussing and worrying about what our city bankers want in the change of banking structure. We must have a change—not for them, but for us to effectively compete for our share of the financial business in our communities and our state. Because a bank operates in a small community does not mean it can afford to operate as it did in the 1900s. We cannot isolate ourselves from changes as communication technology has made this impossible. Let us not continue with the bitterness of conflict so that a task force outside of banking—or worse yet, a bill coming to us drafted by our legislature—will dictate the future of banks and banking in this state.

I genuinely hope that the majority of you will analyze the problems that exist today. They are very serious and should be of concern to all of us in Nebraska banks, regardless of size or location.

**Jerry E. Roe**, newly-elected NBA president: I totally agree with Jim McBride's remarks concerning the "civil war" we have been conducting within our industry on the bank structure issue. The time has come for

a representative group of bankers to sit down with open minds to discuss this problem and reach a compromise which will enable people in the money business to be able to compete more effectively in the market place.

With the approval of the executive council, I have appointed a Task Force to study this problem. The Task Force will be chaired by the chairman of the board of the Osmond State Bank and a past president of the Nebraska Bankers Association, Dick Adkins. Other members of the Task Force will be:

- Tom Allen, president, Omaha National.
- Jim Campbell, president, U.S. National, Omaha.
- Bill Smith, president, First National, Lincoln.
- Jim Nissen, president, National Bank of Commerce, Lincoln.
- Bruce Lauritzen, vice president, First National, Omaha.
- Clark Caley, president, Bank of Clarks.
- Don Johnson, president, Farmers National, Pilger.
- Bob Conrad, president, Sidney National.
- Gene Stanosheck, president, State Bank of Odell.
- Tom Olson, president, Lisco State.
- Jim Oliver, chairman, Commercial National, Grand Island.



**Roland Emmett**, pres., Citizens State, Arapahoe, gives strong support to structure task force as representative of NBA Past President's Council.

- Jim McBride, president, First National, Aurora.
- Bill Nelson, president, Bank of Millard.
- Gary Parker, president, Bank of Bellevue.
- Alice Dittman, president, Cornhusker Bank, Lincoln.
- Hank Kosman, chairman, Scottsbluff National.
- Tom Milliken, president, Fremont National.
- Duane Acklie, chairman, Bank of Norfolk.
- Bill Deitemeyer, president, First National, North Platte.

The Task Force will hold a series of hearings throughout the state, at which time every bank will have an opportunity to make its views on this issue known either orally or in writing.

The charge to this Task Force is a difficult one, but I am confident that with the quality of people who have agreed to serve, they will arrive at a compromise which can be supported by a majority of our membership. The Task Force will report its recommendations to the executive council at the October council meeting which will be held in Norfolk. Upon executive council approval, we will then proceed to have the recommended legislation drafted.

I am deeply grateful to the bankers who have agreed to spend their valuable time on behalf of the Nebraska banking industry to serve on this Task Force. We will keep the membership well informed of the Task Force activities.

**Roland E. Emmett**, spokesman for Past Presidents' Council and president, Citizens State Bank, Arapahoe: On behalf of the Past Presidents, who have all survived this annual battle over structure, we applaud the action taken by our present leadership and support the Task Force 100%.

It's time the banking community made a conscientious effort to resolve its own internal struggle. I'm an independent banker. I always have been and I'm proud of it. But times change. Concepts change. We bankers have resisted any change over the years, and this resistance has resulted in a steady loss of market share. One only has to look at the tremendous deposit growth of S&Ls in Nebraska to realize what the problem is for commercial banks.

This isn't a question of competing for correspondent business by the five large banks. The correspondent business won't





**Larry Hansen**, v.p., U.S. Nat'l., Omaha; **Joe Shafer**, pres., and **Jo Anne Shafer**, and **Rollie Reynolds**, chmn., both men with Bank of Niobrara, and **Jim Campbell**, pres., U.S. Nat'l.



**Bob Hamilton**, v.p., Omaha branch—Kansas City Fed; **Rich Breyfogle**, v.p., Toy Nat'l., Sioux City, Ia., and **Howard Nielsen**, v.p., U.S. Nat'l., Omaha.



**Loren Anderson**, exec. v.p., Nat'l. Bank of Commerce, Lincoln; **Vic Michel**, pres., Henderson State; **Willard Jackman**, chmn., Farmers Nat'l., Grant, and **Wilbur Baack**, sr. v.p., Nat'l. Bank of Commerce.



**Ron Krejci**, pres., Schuyler State, and **Dorothy**; **Fred Douglas**, sales rep., Chiles, Heider & Co., Inc., Omaha; **Janet and Dale Pohlmann**, pres., Ravenna Bank.



**Chet Krouse**, Bank Bldg. Corp., Denver; **Don Stull**, chmn., Guardian State, Alliance; **Chuck Leffler**, chmn. & pres., Sioux Nat'l., Harrison, and **Helen and Jack Moors**, chmn., American Nat'l., Sidney.



**Jim Kenner**, pres., Thayer County Bank, Hebron; **Bill March**, pres., Robert E. Schweser Company, Inc., Omaha; **K. L. Stewart**, pres., Citizens State, Polk; **Tom Milliken**, pres., Fremont Nat'l.; **Dwight Bash**, exec. v.p., Republican Valley Bank, Orleans, and **Bob Roh**, v.p., Schweser Company.

be worth very much unless we begin to realize a basic fact of life: We're in the **money business**. The consequences of continuing this divisive, internal warfare, because people think we're only in the banking business, are obvious to anyone who has even the slightest familiarity with the legislative process.

We are programmed to self-destruct as an industry unless, and until, we are able to resolve the structure issue and move on to the other challenges which we face in trying to improve our ability to compete in the money business.

I have no idea what the recommendation of the Task Force will be but, whatever it is,

**I will support it totally.** The Task Force isn't stacked one way or the other and everyone here knows it. **The key element** (which all of us must realize is essential) is **flexibility**. We have to be flexible if we are going to compete successfully and survive in the money business.

The Past Presidents wish to commend

## More Nebraska Convention Pictures

the bankers who accepted the important and difficult assignment on the Task Force. We ask all of you to proceed with an "open mind" and remember that flexibility on both sides will be necessary for success.

I urge all of you to join us in supporting the Task Force. Get behind it. Testify and make your views known. Participate and then help us to sell its recommendation,

whatever it may be.

Let's bury the structure fight now, this year, once and for all. And, let's do it on terms **we** propose, not those which are forced down our throats by the federal or the state legislatures. It can be done; it must be done. Yes, we can succeed, with our help and support. We can do it; we must do it—ourselves.



**Hugh Wilkins**, pres. Geneva State, and **Bill Henry**, v.p., 1st Nat'l., Omaha.



**Tom Olson**, pres., Lisco State; **Phil Giltner**, pres., 1st Nat'l., Omaha; **Hon. John Cavanaugh**, U.S. Rep. from Omaha, and ABA Pres. **C. C. Hope Jr.**, vice chmn., First Union Nat'l., Charlotte, N.C.



**Bill Dietemeyer**, pres., 1st Nat'l., North Platte; **Ted Armbruster**, pres., Nebraska State, Broken Bow; **Don Ostrand**, v.p., 1st Nat'l., Omaha, and **Russ Morgan**, pres., 1st Nat'l., Elwood.



**Jim Lutes**, pres., Scribner Bank; **Tom Poggemeyer**, First Mid America, Inc., Lincoln, and **Frank Bruning**, pres., Bruning State.



**Dean Kugler**, pres., Gothenburg State B&T, and **Jim Wolf**, pres., Albion Nat'l.

## NABW Nebraska State Group Holds 25th Anniversary Meeting

**B**ANK women officers numbering 140 from over the state convened in Kearney at the Holiday Inn April 18-20 for the 25th anniversary meeting of the Nebraska State Group, National Association of Bank Women.

Featured speakers included the regional vice president of NABW, Betty Wagner, assistant credit officer, The Omaha National Bank; Robert Moses, vice president, First National Bank in Grand Island; Howard Tracy, a Grand Island attorney, and Robin Abrams, vice president-administration from Center Bank, Omaha.

A seminar entitled "Managing Executive Priorities" was presented on Thursday, and three modules were given on Friday covering "Developing Employees," "Managing the Un-

satisfactory Performer" and "Decision Making."

Betty Walline, assistant vice president, Platte Valley State Bank & Trust, Kearney, is chairman of the Nebraska State Group and presided at the anniversary convention. Special recognition was given to 14 past state chairmen who attended the meeting, which also marked the final meeting of the Nebraska State Group.

There are now 10 separate groups across the state to better enable the members to attend more frequent educational meetings, with less travel involved. One of the groups will host a state-wide meeting annually, with the 1981 meeting scheduled to be hosted by the Northeast Nebraska Group.

## Hastings Bank Offers New Mortgage Refinancing Program

Norm Nackerud, president of the First National Bank of Hastings, has announced that a mortgage refinancing program designed to provide attractive mortgage financing to home buyers for homes presently financed by the First National Bank is now available.

Mr. Nackerud stated that only homes presently financed by the First National Bank qualify for the new Mortgage Refinancing Program. Any present residential real estate loan balance can currently be refinanced at 12.5% interest and additional funds can be advanced over and above that present loan balance up to 80% of the appraised value of a home at the rate of 16% interest.

## Named at Scottsbluff Bank

John A. Koenig, president of the First State Bank, Scottsbluff, has announced two promotions, Evelyn Weinmeister to assistant operations officer, and Sheron Dinnel to assistant loan officer.

Robert Wentz, a former national bank examiner, has been added to the staff as an assistant cashier.

## New Department, Officer at First Nat'l., Grand Island

The First National Bank, Grand

Island, recently implemented operation of its new central credit department. The officer in charge of the new department is Roger L. Kozisek, credit analyst.

This will be an independent depart-

ment, responsible to the directors and executive officers, working with all loan officers and loan staff personnel. Mr. Kozisek will serve in a capacity similar to the bank's auditor.

He had been a national bank examiner for the past 12 years with the Comptroller of the Currency headquartered in Grand Island. He is a graduate of Kearney State College with a degree in business administration.

## Named VP, Dept. Head

Pat Cook was promoted to vice president and head of the instalment loan department at a recent board meeting of the First National Bank & Trust Co., Kearney. She joined First National of Kearney in 1977 in the instalment loan department. Her past experience includes I.S.C. Financial House and four years as branch manager of Beneficial Finance of Nebraska.



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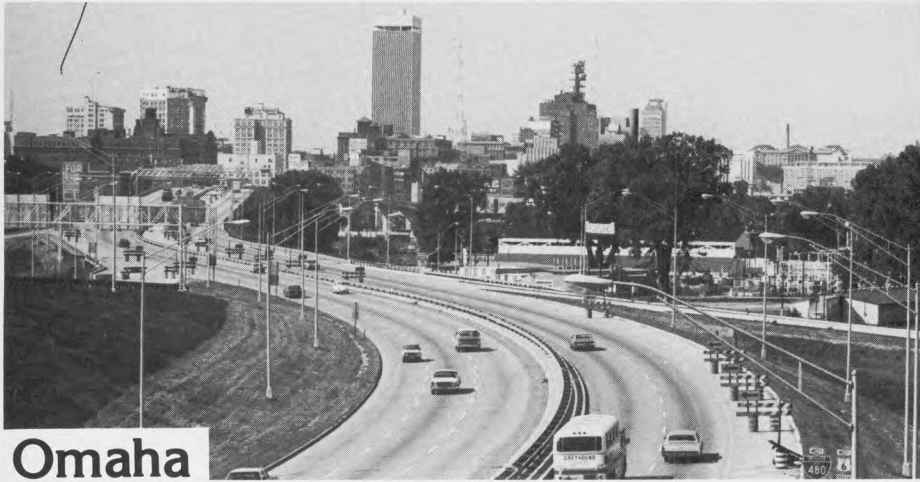
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**D**URING the week of April 21 the Center Auto Bank celebrated its recent remodeling at 45th and Center Street. On Monday, Money Market customers were invited to have a tour of the facility and receive a free Susan B. Anthony dollar.



A GRAND re-opening celebration for the newly-remodeled Center Auto Bank at 45th and Center Street was held in late April.

held on Tuesday, Wednesday, Friday and Saturday with attendance of 127.

Buddy Bear was at the Auto Bank

On Tuesday, Arbor Day, the bank sponsored a special tree planting ceremony. Four burr oaks and eight pfisters were donated to the city and planted in the area just north of the Auto Bank.

All during the week customers and neighborhood friends were invited to come in, have punch, coffee and cookies and register for a door prize. Those who visited were given a free packet of flower seeds and ball point pens. Over 4,500 cookies were consumed.

In the upstairs offices at the Auto Bank special one-hour seminars were

four days during the week and a large helium balloon flew over the site.

The inside of the lobby was remodeled and two additional teller windows were installed. A seventh drive-in window was equipped to handle large vehicles.

\*\*\*

A new service called Interest Plus Checking has been launched in Omaha by the Banco banks, designed to provide consumers with a way to earn interest on checking account dollars.

"Although we have had automatic transfer checking in the past, we've revitalized and are actively promoting it now because we feel it is a good service to help consumers get more for their money," said **Jim Campbell**, U.S. National president.

Interest Plus Checking is available at no charge to customers who keep a \$900 minimum or \$1,600 average balance in their Interest Plus account. Customers who keep \$3,000 minimum savings account balances also get the service at no charge. There is a \$5 per month fee for other accounts.

The Omaha Banco banks are U.S. National, Northwestern National and Center Bank.

\*\*\*

First West Side Bank has introduced the convenience of automatic teller machine banking services to its customers by installing ATMs in the main bank at 72nd & Dodge Streets, the Crossroads facility and will add a drive-up ATM at the Millard facility.

The new ATMs can be accessed by First West Side Bank's new banking card or Visa Plus card. The Visa card, which is tied directly to a First West Side Bank checking account, allows customers to deduct purchases directly from their checking account anywhere the Visa charge card is accepted.

\*\*\*

The Omaha Chapter of the American Institute of Banking held its election of new board members at the recent annual meeting.

Serving a three-year term will be: **Sue Bramlett**, data processing, American National Bank; **Catherine Carlin**, accounts specialist, Omaha National Bank; **Gary Nedved**, assistant vice president-operations, Mid City Bank; **Sue Stubbs**, check processing, Federal Reserve Bank, and **Jerry Wilson**, manager-bankcard collection department, First National Bank of Omaha.



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**GIVING** a new Instant Cash "Beetleboard" its send-off are top officers of Omaha's five Instant Cash Banks. From left are **Harold M. Walton**, pres., Center Bank; **William A. Nelson**, pres., Bank of Millard; **Edward A. Kohout**, pres., Northwestern National Bank; **Dale Heilmann**, pres., Douglas County Bank & Trust Co., (driver) and **Donald J. Murphy**, chmn., U.S. National Bank.

## 'Beetleboards' Promotion for 'Instant Cash'

**F**IVE Omaha banks participating in the "Instant Cash" electronic banking network and the Nebraska Electronic Transfer System have engaged a unique advertising medium to promote their shared service.

The banks, U.S. National, Northwestern National, Center Bank, Douglas County Bank & Trust and the Bank of Millard, are using "Beetleboard" Volkswagen traveling billboards to spread the identity of Instant Cash throughout the Omaha metropolitan area.

According to **Deborah Savage**, vice president of promotion for Beetleboards International, many national advertisers use the "roller-poster" medium, but the Omaha banks are the first financials in the country to use Beetleboards for advertising. Beetleboards International is a Los

Angeles-based marketing firm which provides Volkswagen traveling billboard services to major markets.

The Omaha Instant Cash banks have ten Volkswagen beetles specially designed with graphics of the service. Owners of the cars live in Omaha and are paid by Beetleboards International to have their cars decorated. They will use their cars for normal travel and for special promotional events as requested by the banks.

"The Beetleboard advertising medium is intended to heighten awareness of the Instant Cash name in the market and to stimulate use of the card by cardholders," said **Mike Novak**, U.S. National coordinator of Instant Cash consumer marketing.

The Beetleboard promotion, slated to run through the summer, supplements a broad range of on-going In-

stant Cash promotion activities conducted by the banks.

Instant Cash affiliated banks in Nebraska currently number seven, with a total of 90,000 cardholders. Up to six more banks will be joining Instant Cash before the end of the summer, according to U.S. National President **James R. Campbell**.

## Oak Creek Valley Bank Opens in New Quarters

The Oak Creek Valley Bank, Valparaiso, is open for business in a new building located at 108 W. Second St. This location is one block east of the former site which had housed the bank since 1907. Customer service hours have been expanded by over one-third.

The new building features a night depository, expanded private office space, additional safe deposit boxes and drive-up window service. The former bank building, including post office quarters, is being donated to the Village of Valparaiso.

## Named Farm Manager at Commercial, Grand Island

Wayne A. Weiss was recently appointed manager of the newly-formed farm management division of the Commercial National Bank and Trust Company, Grand Island, according to **E. J. Thayer**, president and chief executive officer.

Mr. Weiss is a graduate of the University of Nebraska and is an experienced and licensed realtor. He formerly was associated with the Farmers National Company of Omaha. He is a member of the American Society of Farm Managers and has three years of farm management experience.

## ASSET-BASED FINANCING . . .

(Continued from page 27)

tise, experience and capital necessary to evaluate, fund and administer asset-based loans.

Commercial finance companies are uniquely qualified to help banks fill the capital crunch facing small businesses. Years of working with small- and medium-sized firms in every conceivable industry, have given independent commercial finance organizations the background necessary to understand the credit needs and credit risks of small businesses.

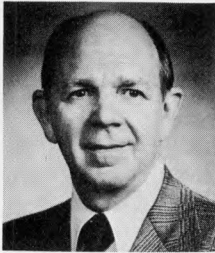
When small banks utilize independent commercial finance organizations, they not only give their customers access to this valuable expertise, but are able to also maintain their depositor and other relationships with these customers. Often, participation arrangements

create a favorable rate for the small business customer that results from the blending of the bank's and the commercial financier's rates. From the borrower's standpoint, this partnership arrangement gives him access to the capital he requires, while he is able to maintain his relationship with the local bank that services so many of his financial needs.

### Meets Needs of the Customer

As demand for asset-based financial services tends to increase along with the rate of inflation, participation with independent finance companies assists banking organizations in meeting the needs of their customers. If inflation has deepened the capital void facing small businesses, then, working together, small banks and independent commercial finance organizations can help fill this gap. In so doing, they can both take advantage of significant new business opportunities. □

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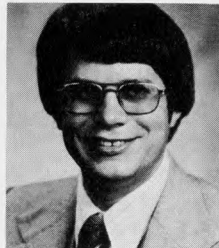


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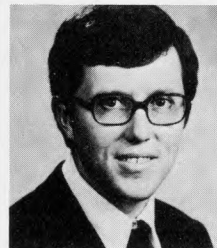
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Vice President



**Tom Stuckey**  
Vice President



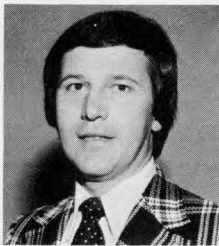
**Bob Deahn**  
Vice President



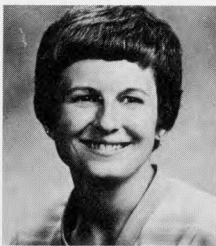
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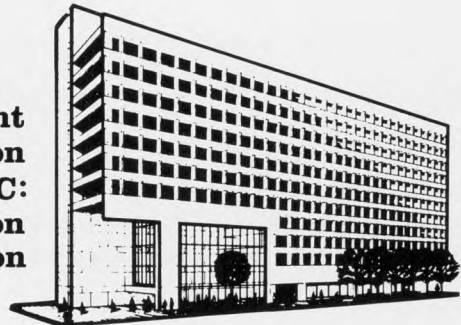


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## Nebraska Bank Deposits Near \$9 Billion

NEBRASKA's 454 commercial banks held total deposits at 1979 year-end of \$8,961,584,000 according to figures contained in the 1980 edition of the Nebraska Bank Directory, published by the NORTHWESTERN BANKER. This represented a growth of 9.39% in deposits over the 1978 year-end total of \$8,192,150,000.

Loans continued to grow at a faster pace. The 1979 year-end total was \$5,908,002,000, up 12.28% over the total of \$5,261,705,000 for the preceding year. A break-down by type of banks shows Nebraska's 117 national chartered banks held \$5,233,963,000 in deposits on December 31, 1979, for an average per bank of \$44,734,726. The 337 state chartered banks had deposits of \$3,727,621,000, an average per bank of \$11,061,189.

The 117 national banks held \$3,338,826,000 in loans at 1979 year-end, for an average per bank of \$28,964,324, a loan/deposit ratio of 64.745%. The 337 state banks had \$2,519,176,000 in loans, an average per bank of \$7,475,299, for a loan/deposit ratio of 67.581%, representing

their higher ag lending needs. The loan/deposit ratio at state banks was up four percentage points over the 1978 L/D ratio of 63.72%.

Nebraska's population is estimated by state officials at 1,573,946. The total bank deposits of \$8,961,584,000 average \$5,693 per person, a gain of 9.4% over the 1978 figure of \$5,205 per person.

Based on the above population estimate and a total of 454 banks, there is one Nebraska bank for every 3,482 persons.

### Bank Sponsors Contest

Fairbury State Bank is sponsoring its third annual Essay Contest for students from Jefferson and adjacent counties, according to Will Else, president.

The \$3,275 scholarship event will feature prize money ranging from a \$100 educational savings account as top prize in the 7th and 8th grade category to a \$1,600 four-year scholarship in the 11th and 12th grade category. Nine student winners will

receive a good start on a college education. They will be announced at Fairbury's 4th of July celebration.

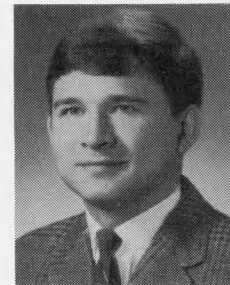
### First National, Holdrege Announces Appointments

Louis G. Titus, president of the First National Bank, Holdrege, has announced the promotion of two officers and the election of three new officers.

Glen J. Anderson was named senior vice president and Kenneth J. Slominski was promoted to vice president.



G. J. ANDERSON



K. J. SLOMINSKI



A. L. ERICKSON



B. M. LINDGREN



P. M. PETERSON

New officers elected include A. Lucille Erickson, assistant cashier and auditor; Bernice M. Lindgren, assistant cashier-benefits, and Patricia M. Peterson, assistant cashier.

### Observes 100th Birthday

The First National Bank, Grand Island, is observing its 100th anniversary year during 1980. To commemorate the occasion the bank hosted a unique celebration recently.

During the two-day event, the bank commissioned a local bakery to "build" what is believed to be the largest cake in the State of Nebraska—8' by 5' weighing over 2,200 pounds. Cake and soft drinks were served to the over 3,000 people who attended the event. Local dignitaries were present along with the Secretary of State Al Berman.

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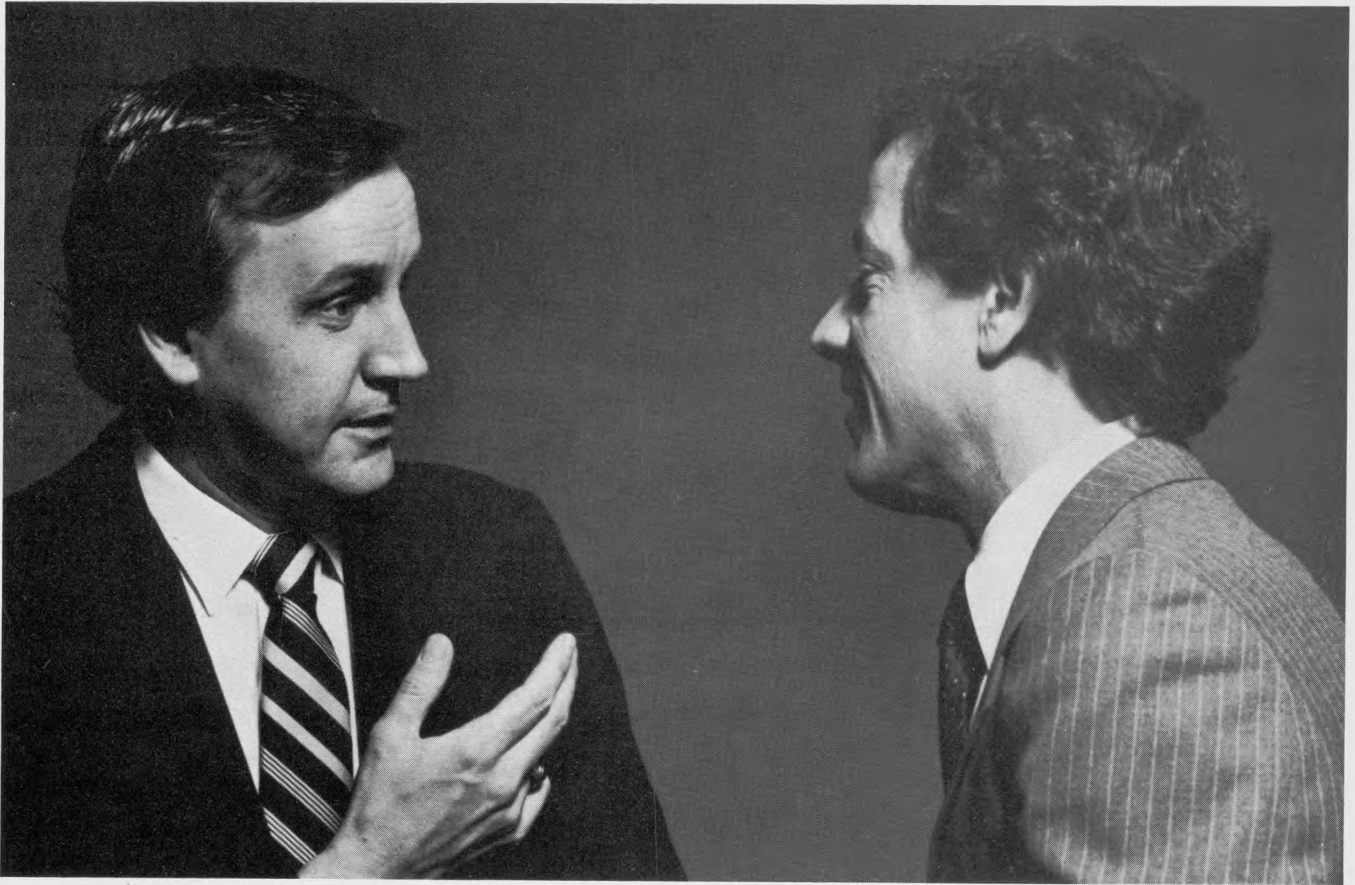
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“What banks really need is a system that takes work in at night and gets it out every morning, not just most mornings.”

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“Because most haven’t tailored their operations to do the meat-and-potato jobs most subscribers need most. Their systems are over-designed, over-engineered, too complex.”

*“And yours . . .?”*

“Ours is highly sophisticated, but simple and flexible.”

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*“Actually, that’s close to what we heard. And, congratulations!”*

*“What for?”*

*“It took you only 91 words!”*

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## Lincoln

**F**IRST National Lincoln and Electronic Data Systems Corp., Dallas, recently announced the signing of a long-term agreement under which EDS assumed the responsibility for First National's data processing operation, including personnel, equipment and software.

Accordingly, the data processing services provided by First National through its extensive on-line data processing network will be further enhanced by utilization of the resources of the nation's largest data processing facilities management company.

Widely recognized as a pioneer in data processing and an innovator in developing advanced systems for financial institutions, First National is the largest processor of computerized services for correspondent banks in Nebraska. It presently provides data

processing services to more than 150 banks in Nebraska, of which most are served in an on-line mode.

\* \* \*

National Bank of Commerce will continue its series of Sheshunoff seminars when it brings **Alex Sheshunoff** to Lincoln on June 18. He will speak on "Profitably Meeting the Challenge of NOW Accounts."

Included in the session will be how to price, introduce and implement NOW accounts as well as how to compete more effectively for profits in this area.

Registration will begin at 8 a.m. The business session will be at 9 a.m., luncheon is at noon and adjournment is scheduled for 4 p.m.

Sculptor **Dan Peragine's** "Plains Rhythm," a 14 foot high, two-ton

Corten steel sculpture, was erected in April in the mini-park area of Citizens State Bank in University Place.

Four months in production, the sculpture was set by crane and welded into specially designed footings. Scheduled for sandblasting immediately before installation, "Plains Rhythm" will quickly begin to weather to the familiar "rusted" patina. And although the piece weighs nearly two tons, "it will move and flex in the wind," says sculptor Peragine.



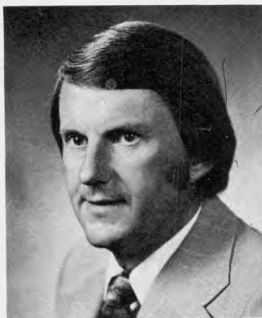
**SCULPTOR Dan Peragine**, left, and **Eames Irvin**, pres., are pictured at the dedication of "Plains Rhythm" at the Citizens State Bank Mini-Park location.

The Peragine sculpture marks the completion of Citizen's Mini-Park at 48th and Baldwin, begun in the summer of 1978.

### Carl Kjeldgaard

Carl Kjeldgaard, 89, chairman of the Farmers State Bank in Big Springs, died recently in an area hospital. He and other family members purchased the bank in 1916 and he remained active in the business until his death.

Mr. Kjeldgaard attended the University of Nebraska and served in the Army during World War II. Among his survivors are his wife, Vieva, and sons Franklin, president of Farmers State, and Wayne, vice president and cashier.



**Steve W. Sutton**  
Vice President

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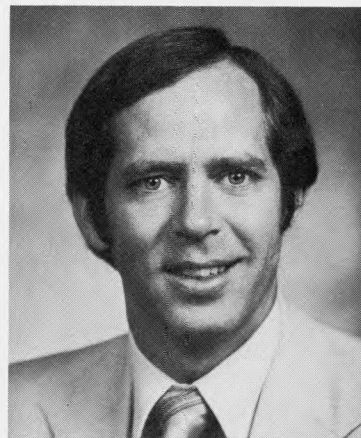
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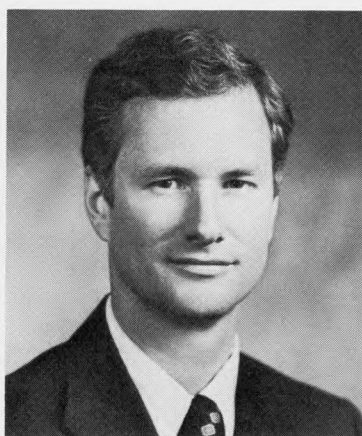
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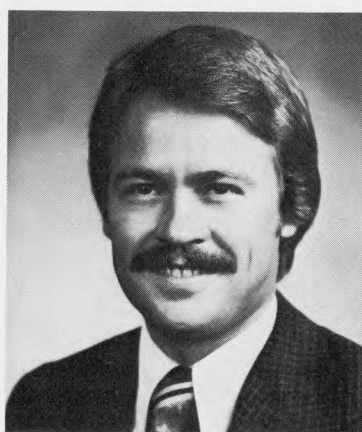
WILLIAM E. EDGECOMB  
*Vice President*



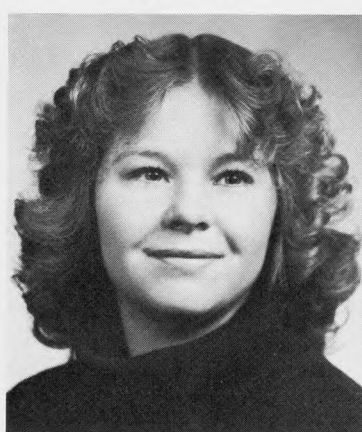
CRAIG E. WANAMAKER  
*Vice President*



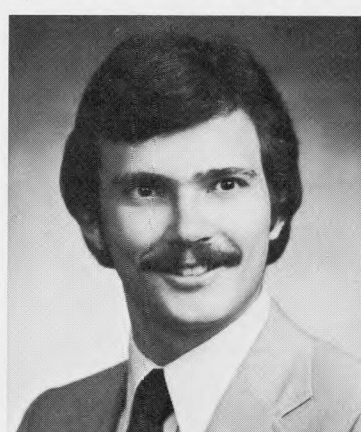
STEVEN L. ANDERSON  
*Assistant Vice President*



MARVIN HEFTI  
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KATHY M. VOTAW  
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MARK A. ZABACK  
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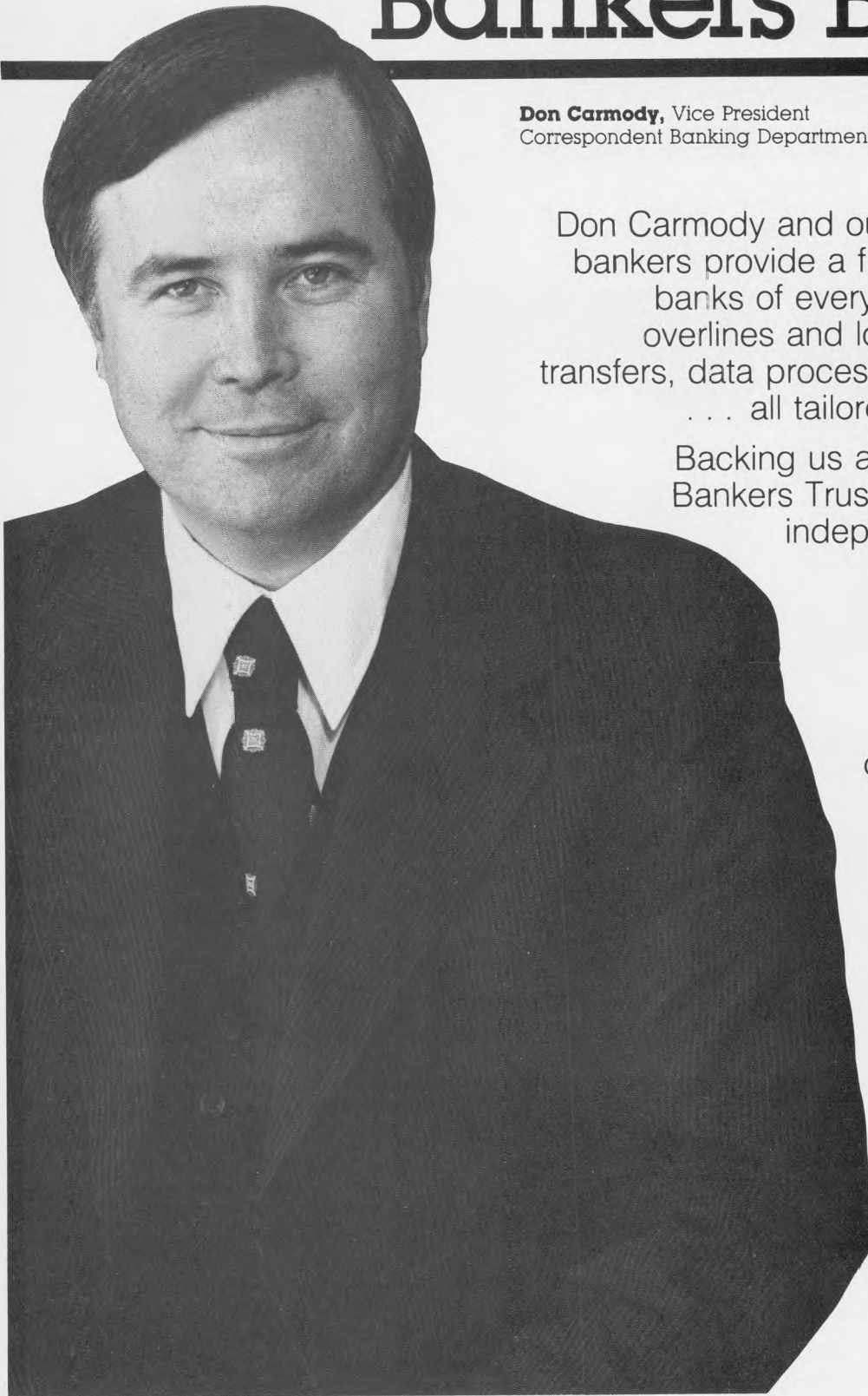
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## Iowa

L. H. Olson, pres., Sioux City  
N. Milner, exec. v.p., Des Moines



### Iowa Bank Deposits Top \$17 Billion

**F**IGURES contained in the 1980 edition of the Iowa Bank Directory, mailed last month by the NORTHWESTERN BANKER, show that deposits in Iowa's 653 banks rose during 1979 to a new high of \$17,074,841,000, an increase of 9.33% over the 1978 year-end level of \$15,617,915,000.

Loans showed a slightly higher rate of growth, increasing in 1979 at a 10.75% level to \$11,466,333,000, up more than \$1 billion from the 1978 year-end figure of \$10,353,313.

Iowa's seven registered multi-bank holding companies, which own a total of 72 banks, including several of the largest in the state, held total deposits of \$4,598,788,137 at 1979 year-end, a 12.74% increase over their total deposits of \$4,079,137,185 at the end of 1978. Assets of the seven holding companies were up 12.75% to \$5,603,901,785 from the 1978 level of \$4,970,110,177. These holding companies held 26.9% of all Iowa deposits at 1979 year-end. Individually, each holding company may own up to 8% of the state's commercial bank deposits. That figure, based on 1979 data appearing in the Iowa Bank Directory, is \$1,365,987,280. The closest company to that ceiling at this time is Northwest Bancorporation. Its 11 Iowa banks had total deposits of \$1,224,436,849 on December 31, 1979.

The average deposit total for each of the 72 holding company banks was \$63,872,000.

Iowa's 99 national banks held total deposits in 1979 of \$5,247,055,000, for an average per bank of \$53,000,555.

The 554 state banks in Iowa had deposits of \$11,827,786, an average per bank of \$21,349,794.

All 653 Iowa banks combined had an average of \$26,148,301 per bank.

Loans for the 99 national banks at 1979 year-end were \$3,397,717,000, an average of \$34,320,000 per bank for a loan/deposit ratio of 64.754%.

Loans for the 554 state chartered banks totaled \$8,068,616,000, an average of \$14,564,288 per bank, for a loan/deposit ratio of 68.217%.

Iowa's population, as estimated July 1, 1978, by the State of Iowa, is 2,896,000. The total bank deposits of \$17,074,841,000 average \$5,896 per citizen, up 9.32% over the average in 1978 of \$5,393 per person.

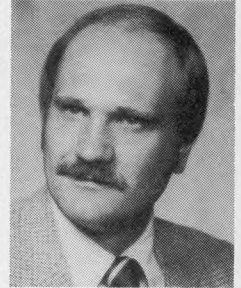
Based on the above population estimate and a total of 653 banks, there is one Iowa bank for every 4,435 people.

Iowa bank deposits have grown from \$11,803,209,000 at 1975 year-end to their present total of more than \$17 billion, an increase of 44.66% in five years, for an average growth per year of 8.93%. Loans grew at a faster pace, increasing from \$7,120,284,000 at 1975 year-end to their 1979 total of nearly \$11.5 billion. This was a five-year jump of 61.04%, for a yearly in-

crease of 12.21%. The biggest increase was in one year when the loan/deposit ratio increased from 59.87% to 65.09% during the year of 1977.

### Promoted at Davenport Bank

Joseph A. Grubisich Jr. has been promoted from assistant vice president and trust officer to vice president and senior trust officer at the First Trust & Savings Bank, Davenport, according to David A. Shern, president.



Mr. Grubisich is a graduate of the University of North Dakota and has a law degree from the University of Iowa. He was district prosecutor for the 7th Judicial District, which includes Scott County, prior to joining the bank in 1978.

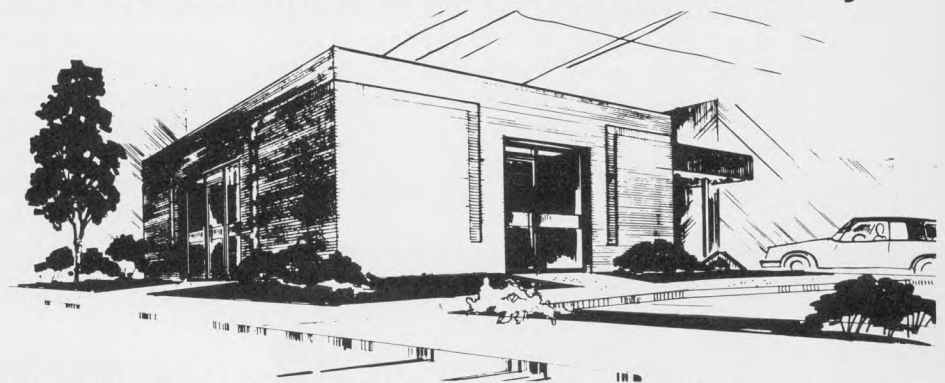
J. A. GRUBISICH

### Advanced at Waterloo

Dale K. DeKoster, president and chief executive officer of the Waterloo Savings Bank, has announced the promotion of David A. Mulnix to consumer loan officer.

Mr. Mulnix has a BA degree in business education and joined the bank in July, 1979, as a management trainee.

### Oelwein Bank Constructs New Facility



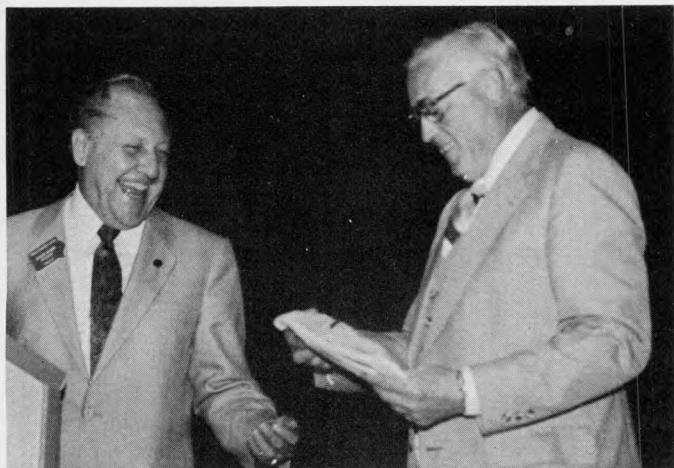
**THE NEW** facility for the First National Bank, Oelwein, is expected to be completed by early fall.

**H**ARRY Young, chairman of the First National Bank in Oelwein, has announced that construction is underway on a new drive-up/walk-up facility.

Located on West Charles across the street from the main bank, the new facility will have three drive-up lanes with expansion for two additional lanes as required, a night de-

pository operable from the automobile, three inside teller stations, a new accounts area and a large vestibule to accommodate an ATM for 24-hour service. On site parking will also be provided.

The Kirk Gross Company of Waterloo is responsible for the project. Completion is expected in four to five months.



**TOKEN GIFT** is presented by IBA Pres. **Leslie H. Olson** to **Christy Armstrong**, a past president.

**"D**RAMATIC changes will occur in the commercial banking business in the 1980s, and management will have to adjust to these changes."

This was the message presented by Leslie H. Olson, president of the Iowa Bankers Association and president of the Toy National Bank, Sioux City, at the annual group meetings held in Iowa last month.

Public Law 96-221, known as the 1980 Depository Institutions Deregulations and Monetary Control Act, will in Mr. Olson's opinion create many problems, as well as opportunities for commercial banks. The Act includes a phase-out of Regulation Q; pre-emption of state usury laws; opening of the Fed discount window to all financial institutions, as well as demanding reserves from them. NOW accounts (interest-bearing transaction accounts) will be offered on a nationwide basis. On or before July 1, the Fed will publish details of the Act.

Mr. Olson expressed concern over the decline in market share held by commercial banks, and voiced concern over the alarming growth by credit unions and money market funds. He stated that credit unions are growing by 19% annually, having total funds of about \$60 billion.

#### Milner Report

Neil Milner, executive vice president, IBA, told



**SERIOUS MOMENT** for IBA Pres. **Leslie H. Olson** and **Tom Huston**, supt. of banking.

## Iowa Groups Discuss Dramatic Changes in 1980s

By **MALCOLM FREELAND**  
Publisher

members that the Nebraska Electronic Transfer System may join the Iowa Transfer System in processing items through the ITS system. He warned members that credit unions and savings and loan associations are moving rapidly in the field of EFT and will perhaps share the same terminals with banks. It is important for banks to secure key locations while opportunities are still available, according to Mr. Milner.

Mr. Milner also discussed the new Iowa usury bill, now effective, and described the growth of Iowa Bankers Insurance and Services. Premiums in 1979 passed \$5 million and dividends were over \$500,000.

The hiring freeze established by the State of Iowa is a real concern to the Iowa Department of Banking, according to Tom Huston, superintendent. Mr. Huston said that his department now has 14 unfilled positions, and 12 of the 14 are field examiners. In addition, Mr. Huston said that reports are taking more time to complete and to type. Consequently, the banks are paying for 29 to 32 hours of examination time, and the Department pays for 40 hours. Projected deficit is \$300,000 on a total budget of \$2.4 million, so the Department plans to adjust previous examination fees by rebilling time.

Mr. Huston expressed concern over banks not paying attention to amount of sold loans, stating in numerous instances banks have a loan/deposit ratio of over 100%. He suggested that banks not now on an accrual basis, should adopt this form of accounting so as to know what their costs and margins are at all times.

#### New Officers

New officers were elected in Group 8 and Group 4 during the first week of the meetings. Group 8 elected as chairman Clark Houghton, president, First National Bank, Iowa City, and as secretary David Malloy, vice president, Farmers Trust & Savings Bank, Williamsburg. Group 4 elected as chairman John Mangold, senior vice president, Merchants National Bank, Cedar Rapids, and as secretary J. Bruce Meriwether, executive vice president and cashier, The First National Bank, Dubuque. Groups 6, 2, and 12 were to elect officers as this issue went to press. A report on the second series of group meetings will be published in the July issue, covering Group 5, 6, 2 and 12.

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LEFT—Chmn. of Gr. 4, **John Mangold**, sr. v.p., Merchants Nat'l. Bk., Cedar Rapids, and wife, **Mary**, and secy. of Gr. 4 **Bruce Meriwether**, e.v.p. & cash., First Nat'l. Bk., Dubuque, and wife. RIGHT—**Robert C. Wede**, pres., Goose Lake Sav. Bk., and outgoing chmn. of Gr. 8; **Neil Milner**, e.v.p., Iowa Bkrs. Assn., Des Moines, and **Clark Houghton**, pres., First Nat'l. Bk., Iowa City, and new Gr. 8 chmn.



LEFT—**Clarence "Bud" Cross**, a.v.p., First Nat'l. Bk., Chicago; the **Mark Arnesons**, chmn., Clear Lake Bk. & Tr. Co., and **L. G. Hix**, pres., First Nat'l. Bk., Waverly. RIGHT—**Don Kimmel**, new e.v.p., United Home Bk. & Tr., Mason City; **Jim Schmitz**, corr. bk. rep., First Nat'l. Bk., St. Paul; **Ed Maloney**, Citicorp, New York, and **Joe McChristian Jr.**, a.v.p., Citibank, New York.



LEFT—**Ben Eilders**, sr. v.p., Bankers Tr. Co., Des Moines; **Hamilton Kerr III**, comm. bk. off., Northern Tr. Co., Chicago, and **Orrin Wilson**, v.p., Northern Tr. Co. Chicago. RIGHT—**Jack Nielsen**, pres., First Nat'l. Bk., Mason City; **C. M. Frudden**, chmn., and **Victor M. Meyer**, pres., Commercial Tr. & Sav. Bk., Charles City, and wife, **Phyllis**.



LEFT—**Churchill T. Williams**, chmn., and **Bill Wilson**, pres., Oelwein St. Bk., and **H. Peter DeRosier**, v.p., Nat'l. Blvd. Bk., Chicago. RIGHT—**Bob Popple**, sr. v.p., Dubuque Bk. & Tr. Co.; **Cy Kirk**, v.p., Central Nat'l. Bk. & Tr. Co., Des Moines; **Mrs. Lynn S. Fuller**; **Mrs. Popple**; **Lynn S. Fuller**, e.v.p., Dubuque Bk. & Tr. Co., and **Jim Schmitz**, comm. bk. off., First Nat'l. Bk., St. Paul.



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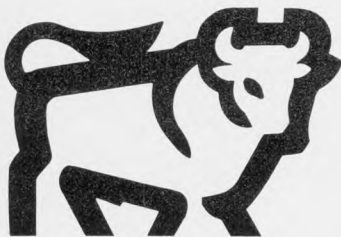
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# Photos Taken at Group Meetings 8, 4, 7 & 3



**SPEAKER** at Gr. 3 was **William B. Hummer**, Chicago inv. dealer, shown with **O. Jay Tomson**, chmn., Gr. 3, and pres., Citizens Nat'l. Bk., Charles City. **RIGHT**—**Wes Johnson**, Des Moines; **Cliff Avon**, a.v.p., First St. Bk., Britt; **Don Carmody**, v.p., Bankers Tr. Co., Des Moines, and **Roger Arwood**, a.v.p., Bankers Tr. Co., Des Moines.



**LEFT**—**Christy** and **Barbara Armstrong**, pres., American Tr. & Sav. Bk., Dubuque, and **Allen G. Wolkey**, v.p., Federal Reserve, Chicago, a speaker at Gr. 4. **RIGHT**—Officers of Gr. 7 are secy., **William J. Boehm**, pres., Tama St. Bk., and chmn., **Ron Fenton**, pres., Security Savings Bk., Marshalltown.



**LEFT**—**Tom Dunlap**, candidate for v.p. of IBA and pres., South Story Bk. & Tr. Co., Slater, and **Milt Hennick, sr.** v.p., Nat'l. Bk. of Waterloo. **RIGHT**—**Homer Jensen**, Ind. Management Serv., Des Moines; **Ron Meyer** and **Ron Dougherty** of Iowa Bkrs. Ins. & Serv., Des Moines.

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## Plan 9th Annual IIB Convention

**P**LANS are being finalized for the ninth annual convention of the Iowa Independent Bankers scheduled for the New Inn at Okoboji, July 17-19, according to IIB President Richard W. Buxton, president, Peoples Trust & Savings Bank, Indianola.

Speakers for the convention include: Mary G. Roebling, chairwoman, National State Bank, Trenton, New Jersey and Women's Bank, Denver, Colorado; Clifford L. Peterson, senior vice president and director,

Deere & Company, Moline, and Sanford Rose, associate editor, American Banker, New York.

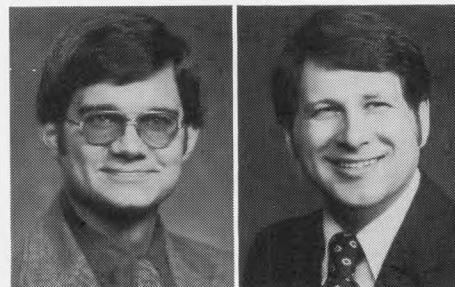
Special events will include a couples golf tournament, tennis tournament, and fiesta, all to be held on Thursday, July 17. A special party for junior independent bankers will be held the same day.

The men's golf tournament will again be held on Friday, July 18, starting at noon. A luncheon for registrants will be held on Saturday

noon, July 19, and the annual barbecue will again be held on Saturday evening, July 19.

### Mason City Bank Elects 2

The board of the First National Bank, Mason City, has announced the election of Calvin D. Hubregtse as an agricultural loan officer and Robert Sleep as a correspondent banking officer.



C. D. HUBREGTSE

R. SLEEP

Mr. Hubregtse began his banking career at the First American Bank, Fairview, S.D., in 1976 and served there most recently as an assistant cashier in the agricultural and installment loan areas. He has a BS degree in business administration from the University of South Dakota.

Mr. Sleep, most recently associated with Lemon and Company Realtors in Cedar Rapids, has a banking background holding positions with Citizens Savings Bank in Anamosa, Merchants National Bank Computer Services and City National Bank of Cedar Rapids. He attended Iowa State University.



## You're Invited to a Prize-Winning EVENT!

### Iowa Independent Bankers 9th Annual Convention July 17-19, Lake Okoboji

#### Special Events

July 17, couples  
golf tournament

July 17, tennis  
tournament

July 18, men's  
golf tournament

#### Key Speakers

Mary G. Roebling,  
chairwoman, National State  
Bank, Trenton, N.J.

Clifford L. Peterson,  
senior v.p. & director,  
Deere & Company, Moline  
Sanford Rose,  
associate editor, American  
Banker, New York

Send your convention registration to: Iowa Independent Bankers, 222 Equitable Bldg., Des Moines, Iowa 50309. Telephone 515/244-4201.

### Joins Fort Dodge Bank

Lee Griffin has joined The State Bank, Fort Dodge, in the newly-created position of vice president and director of marketing, according to Richard Smith, president.

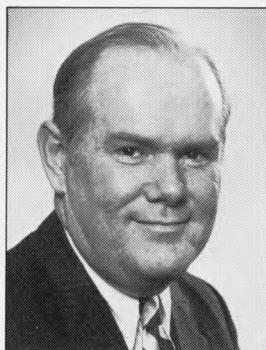
Mr. Griffin was most recently regional sales manager for Land O' Lakes in Fort Dodge. He has a degree in agricultural business from Iowa State University.

### Joins Ocheydan Savings

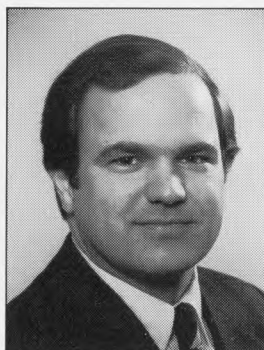
C. E. Spengler, president of the Ocheydan Savings Bank, has announced that Paul R. Dorr has joined the bank as an agricultural representative.

Mr. Dorr was formerly a farm loan officer with the Mutual Benefit Life Insurance Company. He has a BS degree in agricultural business from Iowa State University.

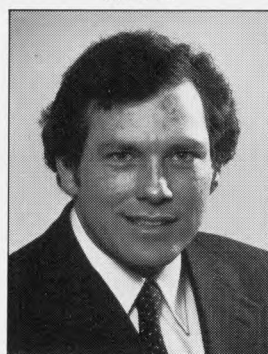
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## New Building For Kirk Gross Co.

**K**IRK Gross Company, well-known designer and builder of financial facilities, recently moved into new quarters in Waterloo. Located off Highway 412 and adjacent to Crossroads Shopping Center, the new facility consists of 5,000 square feet of office space and 11,500 square feet of attached warehouse space.

The office portion includes two offices, a conference room for presentations and a large unique area (approximately 3,000 square feet) devoted to architectural, design and construction support staff.

This area was created entirely without any permanent walls or functional lighting in the ceiling. All the lighting, commonly called task and ambient lighting, is an integral part of each work station. This "open plan/office landscaping" system is completely movable and creates an extremely functional work station.

A blueprint room, fireproof blueprint vault, employe lounge and rest-rooms are also located in the office portion. An unusual 16'x10' wall of oak and mirrors greets clients in the main entrance. "This wall concept worked so well for one of our bank projects we decided to duplicate it ourselves," said Jerry Gross, president.

The attached warehouse is 144 feet long and is devoted to storage of furniture and fixtures for bank building projects and construction materials. Serviced by three 16' high receiving doors, the warehouse has ample room for expansion in all directions.



**Carol Smith**, a long-time employe of Kirk Gross Co.



**AMBASSADORS**—Craig Shirey, left, presents the key to the city to Dick Zahn and Jerry Gross of Kirk Gross Co. as other Waterloo Ambassadors look on.



**PICTURED** above is the exterior of the new Kirk Gross building in Waterloo. Below, is the interior of new building as seen from the reception area.



## Staff Promotions Told at Peoples Trust, Indianola

At a recent meeting of the board of Peoples Trust & Savings Bank, Indianola, T. J. Nicholls was elected corporate secretary of the bank, Farmers Credit Corporation and Peoples Company of Indianola. Peggy Wickett was appointed secretary to the board of each corporation and Dick C. Stoffer was appointed commercial loan officer and assistant trust officer of the bank.

Mr. Nicholls has been with the bank for over 30 years. In addition to his new responsibilities he is vice president and cashier of the bank and treasurer of Peoples Company.

With the bank for 15 years, Ms. Wickett has served as receptionist and executive secretary. She will assume additional responsibilities assisting the president, the board of directors and the trust department.

Mr. Stoffer will continue assisting business and commercial loan customers. Additionally he will assume new responsibilities in trust services.

## Delaware County Bankers Announce New Officers

Donald R. Huber was elected president of the Delaware County Bankers Association at a recent meeting in Dyersville. Mr. Huber is vice president and office manager of the Citizens State Bank of Ryan. He succeeds Charles P. Geers Sr., vice president of the Dyersville National Bank.

Other officers elected for the coming year were: vice president—Steven A. Brady, cashier, Community Savings Bank of Edgewood, and secretary/treasurer—Michael W. Dunn, vice president and trust officer, Farmers & Merchants Savings Bank of Manchester.

## Two Join Belmond Bank

Doug Hartmann has joined the North Iowa State Bank, Belmond, as an assistant vice president, according to Dean Kechely, president. Mr. Hartmann, who will be responsible for agricultural finance, was formerly with Acco Seed Company in the research department.

Steve Miller of Ellsworth, Wis., has joined the bank as an instalment loan trainee. He is a recent graduate of the rural banking and agriculture finance program of the Red Wing, Minn., Area Voc.-Tech. Institute.



Wilma Weeks, Ken Roeder, Jim Hongslo, Wayne Johnson and Jim Young

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## Des Moines

**T**HE president and chief executive officer of Bankers Trust Company, **Herman C. Kilpper**, recently announced that **Ed Redfern** has joined the administrative staff in the newly-created position of director of communications.

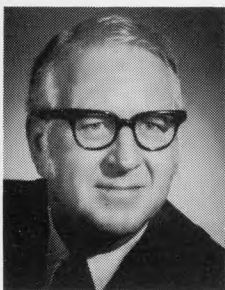
Mr. Redfern joins Bankers Trust from the staff of Governor **Robert D. Ray**, where he served as administrative assistant. He previously worked at the White House under President **Gerald Ford**.

The communications division of the administrative offices will work with all areas of the bank and help develop new services and programs for the staff and customers.

\*\*\*

**Raymond G. Johnston**, president and chief executive officer of Central National Bank & Trust Co., has announced two personnel changes.

**Ivan L. Johnson** has assumed the title of senior vice president and will be responsible for national accounts, development of secondary market sources and non-lending financial services. With the exception of those functions for which Mr. Johnson is responsible, **Harry A. Wilmer** has been named to head the commercial loan department.



I. L. JOHNSON



H. WILMER

Mr. Johnson joined Central in 1948 and has worked in marketing, lending and general administration.

Mr. Wilmer joined the bank in May, 1979, as vice president in commercial loan. He was previously with the First National Bancorporation in Denver and served with three of its subsidiary banks. He has a BA degree in political science from Colorado College.

\*\*\*

Staff changes were announced at the recent annual meeting of Brenton Banks, Inc.

**Harlan D. Sterk**, president and trust officer of the Jefferson State Bank, was elected to the holding company's board of directors. He has been with Brenton since 1965 and was named senior vice president in 1972.

**Duane A. Danielson**, EDP auditor, was elected an officer of Brenton Banks. He has been with the firm since 1975. **Steve Schuler**, who joined Brenton Banks in 1977, has been promoted from auditor to audit manager. **Sandra Holan**, who has been with the company for six years, was promoted from assistant personnel administrative officer to personnel administrative officer.

\*\*\*

**J. Merrill Anderson** of Newton, vice chairman and treasurer of Central National Bankshares, Inc., recently received special honors for service as a member of the Blue Cross of Iowa board of directors. Mr. Anderson received the personal thanks of **D. Eugene Sibery**, plan president, for his past 10 years of service and a commemorative award.

## Cherokee Bankers Organize

The Cherokee County banks recently formed the Cherokee County Bankers Association to improve and promote the banking industry in the county.

Elected as officers were: president — **John B. Keeline**, president, Central Trust & Savings Bank, Cherokee; vice president — **John W. Christensen**, president, Farmers National Bank, Aurelia, and secretary-treasurer — **Kenneth N. Watts**, cashier, Central Trust & Savings Bank, Cherokee.

The group will hold quarterly meetings on a regular basis to increase public awareness of bank services and benefits.

## IBMC Closes Home Loans

The Iowa Bankers Mortgage Corporation has reached a major milestone with the closing of its first two loans, according to **Sam Callahan**, president.

The loans included a VA loan originated by the corporation through the Farmers State Bank in Jesup and a conventional loan through Bankers Trust Company, Des Moines. Several other home loans are currently being processed, according to Mr. Callahan.

In making the announcement, Mr. Callahan praised the 126 Iowa banks that initially elected to participate in the corporation, the largest instrument for marketing home loans on the secondary market in the country and the only such company in existence.

## Three Promoted at Hills

The board of the Hills Bank & Trust Company has announced the promotion of three bank officers, according to **John R. Hughes**, president.

**James Gordon** has been promoted to vice president and trust officer, and **Dwight Seegmiller** has been named vice president. **Rose Meer** has been named assistant vice president in charge of customer services.

Mr. Gordon has been trust officer and will continue to head the trust department. Mr. Seegmiller had been assistant vice president and will continue to serve in the loan department as well as directing marketing and advertising. Both men joined the bank in 1975.

Mrs. Meer, who has been with the bank since 1957, most recently served as customer service representative.



# The Decision Room



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Our professional investment analysts have over 60 years combined experience. With our know-how and the latest accurate, up-to-the-minute market information, we can tell you when to buy. What to buy. When to sell.

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## First National Bank in Sioux City Plans \$5 Million New Facility

**R**ICHARD C. Taylor, president of the First National Bank in Sioux City, recently announced plans for construction of a new main bank facility which will be located on the bank's present site at 5th and Pierce Streets.



R. C. TAYLOR

Planning for the project began in 1978 and the new facility is scheduled for completion in early 1982.

The new building will be a four-story structure occupying approximately 80,000 square feet. The construction cost is estimated to be \$5 million. According to Mr. Taylor, "This new building project is an expression of our confidence in the future of Sioux City and the Siouxland area.

"It will ensure that the most efficient banking facilities are available for our customers' present and future

needs." He emphasized, "Contract work will be provided locally which will add stimulus to the local economy."

During the new building construction, the bank's main facility will be temporarily relocated in the Warrior Tower at 6th and Nebraska Streets. The renovation of the first two floors of that facility has begun and is estimated to be completed in about three months.

The main bank's offices, lobby, 24-hour Instant Access Banking, walk-in and drive-in facilities will be moved to that site later this summer. The relocation facility will accommodate all of the financial services presently available at the 5th and Pierce Streets location.

### New VP at Hawarden Bank

Ken Hultquist has joined the Farmers State Bank, Hawarden, as a vice president. Most recently he had served as a vice president at the Northwestern State Bank of Orange

City for the last eight years, and previously was associated with the First State Bank in Hawarden.

### BICS, Inc., Cedar Rapids, Names Directors, Officers

Donald R. MacKay, vice president of Merchants National Bank, Cedar Rapids, and William C. McCormick, executive vice president of Banks of Iowa Computer Services, Inc., were recently elected to the Banks of Iowa Computer Services board of directors, Cedar Rapids.

Joseph Phernetton, president of BICS, also announced the election of six new officers. Brian Phillips was elected vice president; Tom Anderson, Steve Rominger and Brian Scott were elected assistant vice president; Uraina Evans was elected secretary, and Lawrence D'Souza was elected comptroller.

In addition, Larry Eilers was promoted to marketing manager, and Ed Brunsting was promoted to chief EDP auditor.

### Farmers State, Marion Tells of Staff Changes

Morris F. Neighbor, president of the Farmers State Bank, Marion, announced several personnel advancements following the bank's recent shareholders meeting.

Kim Nelson was promoted to vice president and manager of the Hiawatha office. New officers elected include Eula Wood, personnel officer; Johna McBurney, bookkeeping officer; Sue Boddicker and Judy Easterday, assistant office manager, and Nancy McKern, executive assistant.

### New SBA District Director

Conrad E. Lawlor has been named district director for the U.S. Small Business Administration for Iowa. He succeeds J. Harold Sears who transferred from Iowa to Harlington, Tex.

The Iowa SBA office has the largest portfolio in the United States. The state has one of the highest loan volumes according to population, with fewest amount of delinquent loans.

Mr. Lawlor was named SBA's Region VII's regional director in Kansas City from 1977 to September, 1979. He joined SBA as branch manager of the Des Moines office in 1964 and in past years served in various key executive positions for the agency in Region VII. From 1965-70 he was district director in St. Louis and Des Moines.

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**UPPER LEFT**—Luin Cox (extreme left), chmn. of the IBA mgmt. comm. and pres. of First State Bank, Belmond, listens to other c.e.o.'s discuss a management situation at a round table discussion. **UPPER RIGHT**—Dave McNichols (standing), IBA staff v.p., provides some background material in response to a question from another round table discussion group. **LOWER LEFT**—Speakers Thomas Salsbery and Nancy Nemitz check notes with Kenner Swedburg (standing left), member of IBA mgmt. comm. & pres., 1st Nat'l., Woodbine, and Mr. McNichols. **LOWER RIGHT**—Katherine Fisher, human resources dir. of the IBA, chats with Iowa bankers before starting her workshop on personnel practices.



## 120 Bankers Attend Iowa C.E.O. Conference

By **BEN HALLER, JR.**  
Editor

**I**N HIS welcoming remarks to 120 bankers attending The Bank CEO Conference conducted in Ames recently by the Iowa Bankers Association, IBA President Les Olson recounted how the philosophy of banking has changed:

"It has gone from conservatism in pre-World War II," he recalled, "to abundance of money during World War II with no loans and low investment return, to almost riskless banking in the late '40s and '50s when almost any business starting up would succeed. In the late '70s we reaped the bad harvest of ill-advised business teaching from some major universities. We brought in credit cards, which deteriorated our monopoly on checks. We've given away our lead in

banking by a lack of attention to the banking business itself.

"Now, we're looking at ways as CEOs to regain our leadership. A good executive is not one who knows how to do everything, but one who knows where to find the answer and how to do it with a good staff."

A series of talented speakers then took the platform in the next day and a half to share results of their experiences with key situations and problems that are uppermost in the minds of all bank management. George Wright, senior vice president at European-American Bank in suburban Westbury, N.Y., related why his bank elected to hold back and not be the first to jump into NOW accounts. He gave a detailed rundown on steps his bank followed in making its successful entry into this specialized market that will become nationwide next December 31.

Jack O. Weatherford, chairman of the ABA community bankers division and chairman and chief executive of Murfreesboro Bank & Trust Co. in Murfreesboro, Tenn., used numerous slides to depict the competition for funds, and banking's market share loss to thrifts and credit unions and, more recently, to money market mutual funds. He noted the constant outreaching across the nation of large banks and holding companies with offices and credit cards, stating this calls for a total re-thinking of traditional, competitive marketing concepts. He predicted bank mergers and some failures in the coming decade after looking "at the real world" of competition. He cautioned the c.e.o.'s at the conference to "know the market and know what it wants."

Three workshops in the afternoon were provided on compliance, personnel practices, and subpoenas and confidentiality. Nancy L. Nemitz,

corporate compliance officer for First Bank System, Inc., Minneapolis, showed why she holds that responsible position with her presentation that left each attendant shaking his head. She said, "compliance is even worse than anyone thought it would be." The workshops were repeated later in the afternoon.

Spread management and investments were the last two topics the second morning. They were handled by James W. Bruce Jr., senior vice president, Liberty National Bank, Oklahoma City, and Harold Hollister, senior vice president-investments, United Missouri Bank of Kansas City. □

### Top Management Changes At Keystone Savings Bank

Robert G. Roese, executive vice president of the Keystone Savings Bank, has been elected president. He succeeds Roland A. Hellwig who is retiring from active duty after 35 years of service to the bank. Mr. Hellwig will remain in an advisory capacity.

Steve L. Wilson has been named executive vice president and Grace Wiese was elected cashier at a recent

## Morningside Office Planned for Security Nat'l.

**V**ARIOUS city and bank officials attended the recent ground breaking ceremonies for Security National Bank's new Morningside office. The branch site is located at Sergeant Road and Lakeport Avenue, across from the Southern Hills Mall in Sioux City.

The new 3,800 square foot facility will offer a full range of financial services to include five drive-up lanes, automated teller machine, night depository and safe-deposit boxes to serve the Morningside area.

The building will be constructed of brick and cedar siding with plans for extensive landscaping. When completed in early November, the convenient location will provide a picturesque view for those in the area.



**BANK** and city officials break the ground for Security National Bank's new Morningside office.

board meeting. J. H. Milroy will continue to serve as chairman of the board.

### Named VP, Sr. Loan Officer

Daniel Engler has joined the First National Bank, Sibley, as vice president and senior lending officer, accord-

ing to Leo E. Carlson Jr., president. Mr. Engler was formerly a vice president at the National Bank of Washington and previously managed its Ainsworth office.

He has a degree in agri-business from South Dakota State University and replaces Ray Dirksen, formerly vice president and farm representative, who has taken a position with the Ocheydan office of the Sheldon Production Credit Association.

### Joins Morningside State

Jack B. Conley, president of Morningside State Bank, Sioux City, has announced that Robert Lennon has joined the bank as assistant vice president in charge of consumer lending. Mr.



**R. LENNON**

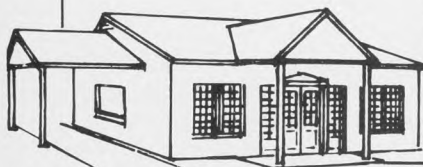
Lennon formerly was a dealer service representative for a local Sioux City bank and has held management positions with several consumer finance companies. He graduated from Regis College in Denver in 1961 with a BS degree in business administration.



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## John Fitzgibbon Opens Consulting Business

Formation of The John Fitzgibbon Corporation in Des Moines has been announced by John R. Fitzgibbon. The firm offers experienced, professional service to banks and businesses for financial consulting, as well as mergers and acquisitions. The new firm is located at 3101 Ingersoll Ave., Des Moines 50312 (515/274-0398).



J. R. FITZGIBBON

Mr. Fitzgibbon is widely known throughout the upper midwest, having served nearly 28 years with affiliates of Northwest Bancorporation. He retired in February, 1980, as chairman and chief executive officer of the Iowa-Des Moines National Bank, the largest bank in the state. He was elected president and chief executive officer of the bank in 1969, and also became chairman in 1974. Under his leadership, Iowa-Des Moines National grew from \$284.5 million in 1969 to \$663.8 million at the end of 1979.

A native of Nebraska and a graduate of the University of Nebraska in Lincoln, Mr. Fitzgibbon began his banking career as an ag rep with First National Bank in Hastings, Neb., in 1952. He later left that Banco affiliate to become vice president at First Northwestern National Bank of Winona, Minn., then accepted appointment as president there before moving to the Iowa-Des Moines National in 1960.

## Named New Bank Officer

JoAnn Parker has been elected a loan servicing officer at the Peoples Bank and Trust Company, Waterloo. She joined the bank in 1973 as a secretary in the commercial loan department.

Ms. Parker also has worked in the mortgage loan department and most recently was assistant manager at the bank's office in the Crossroads Shopping Center.

## Receives Commission

Dennis R. Deischer of Kansas City, Mo., has received his commission as a national bank examiner. He had been employed by the Comptroller of the

Currency as an assistant national bank examiner since 1973.

Mr. Deischer was recently promoted to the position of regional director for customer and community programs for the Tenth National Bank Region, which includes the states of Iowa, Nebraska, Kansas and Missouri.

He is a native of Webster City and is a graduate of Central Washington State College in Ellensburg.

## Announce Staff Changes At Williamsburg Bank

Justin L. Collier has resigned as vice president of the Farmers Trust and Savings Bank, Williamsburg, according to Obert L. Larson, chairman and president. Mr. Collier has accepted a position as executive vice president of the Williams Savings Bank, Williams.

During the annual meeting of the board of directors, the following promotions were also announced: John R. Jones was promoted to vice president and trust officer, June Von Ahsen will take charge of instalment loan collections and Joyce Jones was promoted to head teller.

## Staff Promotions Told at Merchants, Cedar Rapids

Four vice presidents have been elected by the board of directors of Merchants National Bank, Cedar Rapids.

Larry H. Christy, comptroller, was named vice president and comptroller. Advanced from assistant vice president to vice president were Calvin W.



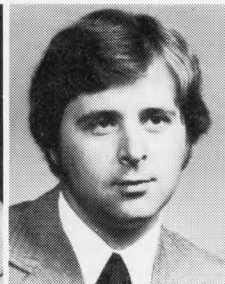
L. H. CHRISTY



C. W. COQUILLETTE



R. L. FOUST



J. N. TRUDO

Coquillet, Robert L. Foust and Jerry N. Trudo.

Judy K. Everett was named a trust officer and Jimmie D. Henley was named an assistant vice president.

Seven new officers were elected. They are Steven L. Caves, mortgage loan officer; Donna R. Garnett, personal banking officer; Randall L. Kuehl, credit card officer; Catherine I. Reed, check processing officer; James A. Sangster, commercial loan officer; Gretchen K. Sealls, international banking officer, and William W. Williams, assistant trust officer.

## WALTER BIMSON . . .

(Continued from page 40)

doubled he would still only have a \$12 million deposit bank!

Soon after taking over Valley National, Mr. Bimson was joined by his brother, Carl, and together they formed a 37-year working partnership which endured until their joint retirement in 1970.

Walter Bimson initiated many firsts as a banker at Valley National. With his previous experience in what is now called marketing, he aggressively began "selling loans" by sending out bank employees to call on businessmen, homeowners, farmers and ranchers, putting money into the hands of people who found a source of capital previously not available to them. This concept of "creative credit," as Mr. Bimson termed it, helped build Arizona and has been widely imitated, of course, nationwide. The validity of the concept was proved by the negligible losses sustained. Savings deposits climbed as well.

Valley National made Arizona's first FHA loan and by 1935 year-end ranked fifth in the nation in FHA loans out of 6,000 participating banks. It was the first bank to open an instalment loan department; the first to establish a G.I. loan division and a small business department; the first Arizona bank to provide drive-up banking.

Mr. Bimson's outside activities in support of Phoenix and all of Arizona were so numerous they would fill more than one volume. His affinity for art, both native Indian and current artists, resulted in lifelong support for and recognition by artists and their organizations. His leadership in bringing new businesses to Arizona pre-dated the advent of formal business development councils by communities and states.



# In the DIRECTORS' ROOM



## Perfect Gift

Sign in a pet store: "Give the gift that keeps on giving—a female cat."

## Collecting Debts

A friendly collection letter reads as follows: "Hello, there. I am the company's computer. So far, only I know that you haven't been making regular payments. However, if I haven't processed a payment from you within ten days. I will tell a human."

## Golf Fanatic

The wife of a golf fanatic said to her husband: "Junior told me that he caddied for you this morning."

"That's it!" exclaimed the golf addict. "I knew I'd seen that kid before."

## Texan Outdone

The Texan, being shown around a vast ranch in Australia, was refusing to be impressed.

"Why, this would just be a teensy little corner of my spread back home," he said.

"Nice," he said of a huge herd of grazing cattle, "But they'd be lost among my herd."

Just than a kangaroo suddenly came up behind him and bounded by. The startled Texan exclaimed, "What in tarnation was that?"

Calmly his host answered, "They don't have grasshoppers in Texas?"

enough to right the hayrack after a good meal. The boy demurred, saying he didn't think his father would like it. But the farmer persisted and won.

After dinner the boy said he felt better and expressed his appreciation for the hospitality. But he still insisted that his father wouldn't like it. "Nonsense!" said the host. "By the way," he added, "where is your father?"

"He's under the hay!" said the boy.

## Hay Tale

A kind-hearted farmer told the forlorn lad, whose load of hay had overturned in the road, to forget his troubles and come in and have dinner with his family. It would be time



"Where's the adjustments window? My checkbook doesn't balance."

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fidence you need to handle a volume of currency. And a counterfeit detection aid is available for even more security. The 873 even self-cleans for a minimum of maintenance!

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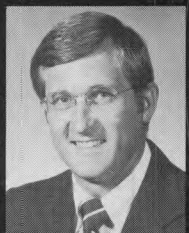
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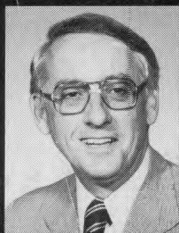
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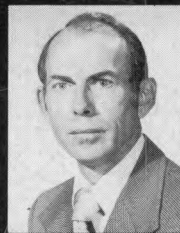
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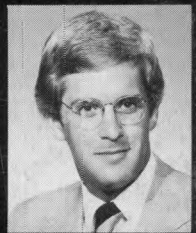
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