

NORTHWESTERN *Banker*

OCTOBER
1982

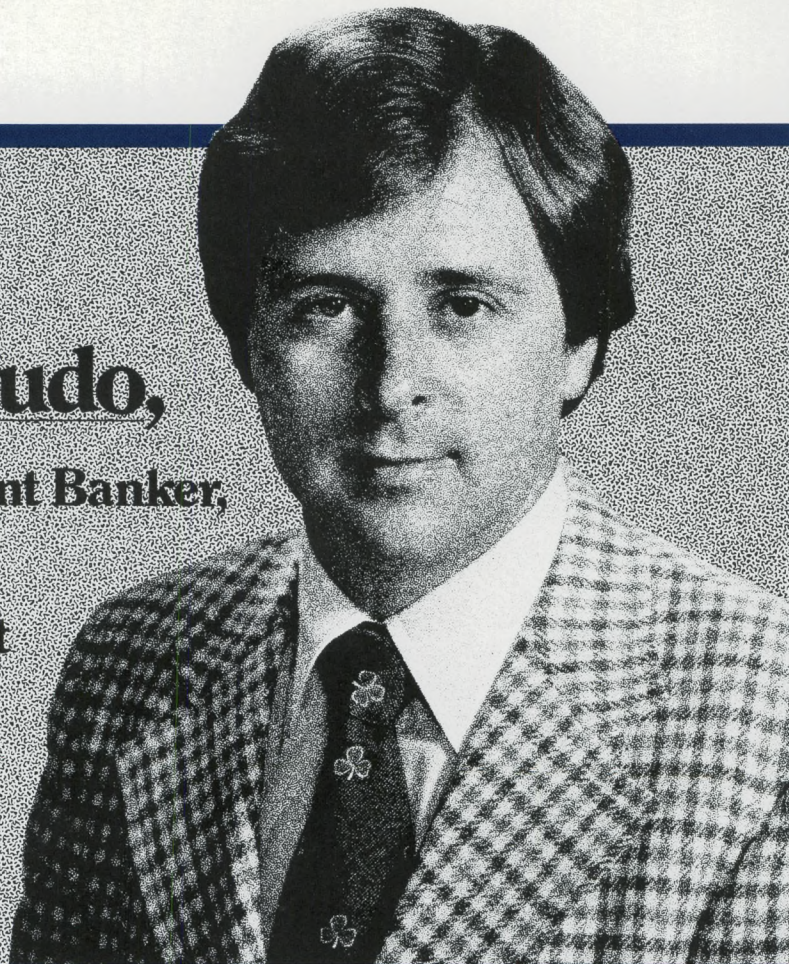


Iowa Bankers Association Elects New Officers

- How to figure deposit benefit in bank sale
- What is status of repos today — Survey
- Low interest loans boost midwest economy

Jerry N. Trudo,

**MNB Correspondent Banker,
on "Expertise
in meeting
your overline credit
requests."**



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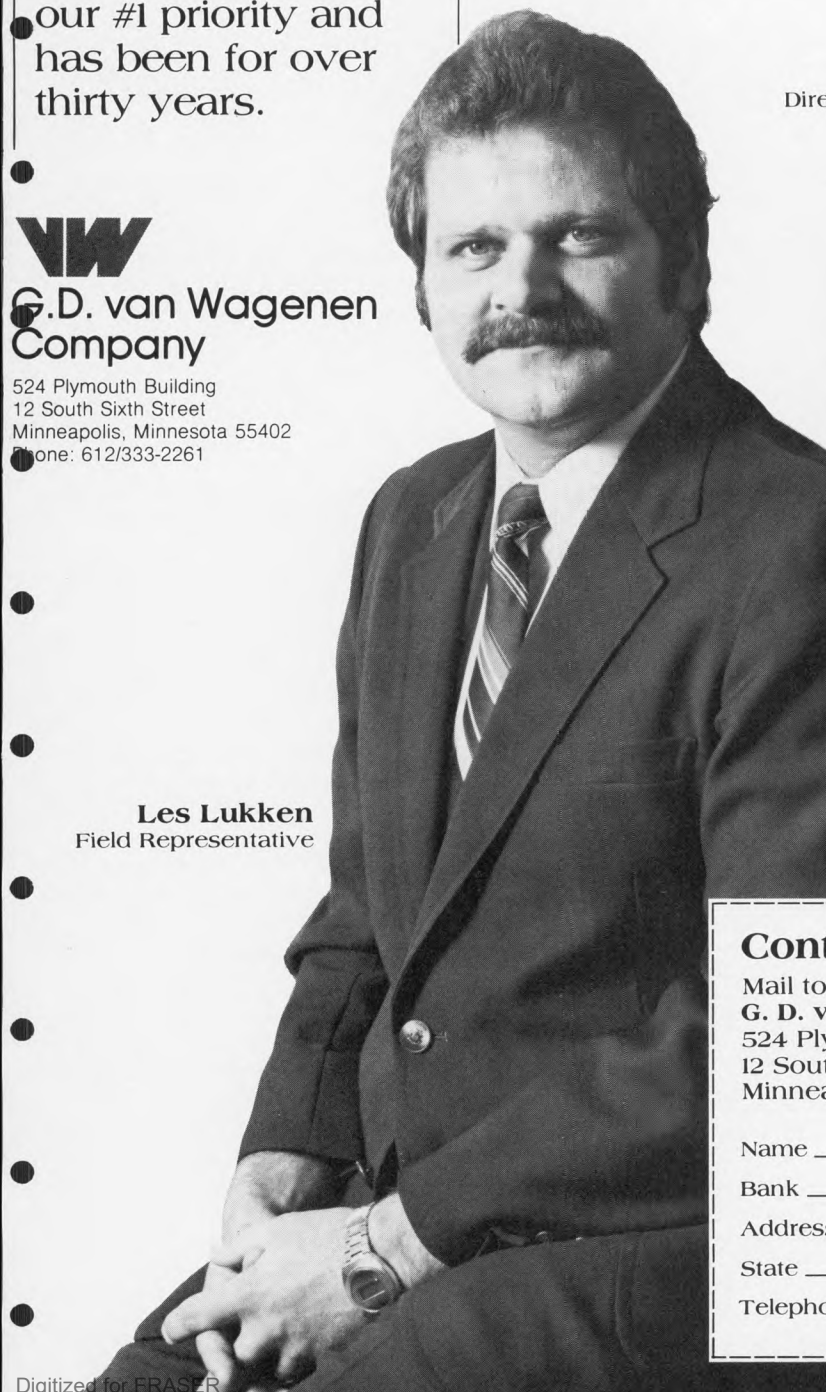
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Director of Marketing



Les Lukken
Field Representative



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NORTHWESTERN Banker

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MEMBER BANK MARKETING ASSOCIATION



OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES

ON THE COVER

OFFICERS who will serve the Iowa Bankers Association during 1982-83, pictured on the front cover, were installed during the 96th annual convention in Des Moines last month. From left, they are: Immed. Past Pres.—**Tom Dunlap**, chmn. & pres., South Story Bank & Trust, Slater; Pres.—**L.C. "Bud" Pike**, pres., Farmers Savings Bank, Grundy Center; Pres.-Elect.—**Al Maser**, chmn. & pres., First Natl., Le Mars, and pres., Lakes Natl., Arnolds Park; **Russell W. Spearman**, pres., Citizens Savings Bank, Sac City, and **Neil Milner**, exec. v.p., Des Moines. The convention report and pictures starts on page 65.

FEATURES

17 The deposit benefit

CPAs tell how to consider this element in bank sale

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Survey asks superintendents, bankers to define them

27 Over 300 attend Market Day

Annual event in St. Joseph, Mo., features ag panel

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NORTHWESTERN BANKER

306 15th Street, Des Moines, Iowa 50309 Phone (515) 244-8163

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|-------------------------------|----------------------------|-------------------------|---------------------|
| <i>Publisher & Editor</i> | <i>Associate Publisher</i> | <i>Associate Editor</i> | <i>Consultant</i> |
| Ben Haller, Jr. | Steve Burch | Becky McBurney | Malcolm K. Freeland |

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CIRRUS Selects Directors

Bruce A. Burchfield, a Chicago banker, has been appointed executive director of CIRRUS System, Inc., which was organized in June to create a nationwide network of automated teller machines for a group of major regional banking organizations.

CIRRUS will allow customers of any of the participating banks to access an ATM anywhere on the network to make cash withdrawals from checking accounts.

Mr. Burchfield was vice president and manager of the electronic banking division of First National Bank of Chicago. During nine years at First Chicago he was responsible



B.A. BURCHFIELD

for the development and management of new electronic-based consumer services, including electronic funds transfer equipment and the bank's network of 90 ATMs, called Cash Station.

Walter R. Miller, Jr., president of CIRRUS and senior vice president, consumer banking at Northwest Bancorporation, one of the founding members of the new corporation, said Mr. Burchfield will be chief operating officer for the network. His immediate responsibilities, Mr. Miller said, will be to organize and staff an office, with headquarters in the Chicago area, direct implementation of the network system, which is expected to begin operating in April of next year, and organize and direct a marketing program for CIRRUS services.

Mr. Miller also announced that two additional regional banking organizations have joined the original 10 as principal members. They are:

United Virginia Bank, Richmond, Va., which has 171 branches throughout the state and operates an ATM network, called Self-Service Banking, in 10 metropolitan areas.

Wachovia Bank & Trust Company, N.A., Winston Salem, N.C., which has 198 offices in 83 North Carolina cities and has a network of 109 ATMs, called Teller II.

When it comes to customer preference,* other travelers cheques don't stack up.

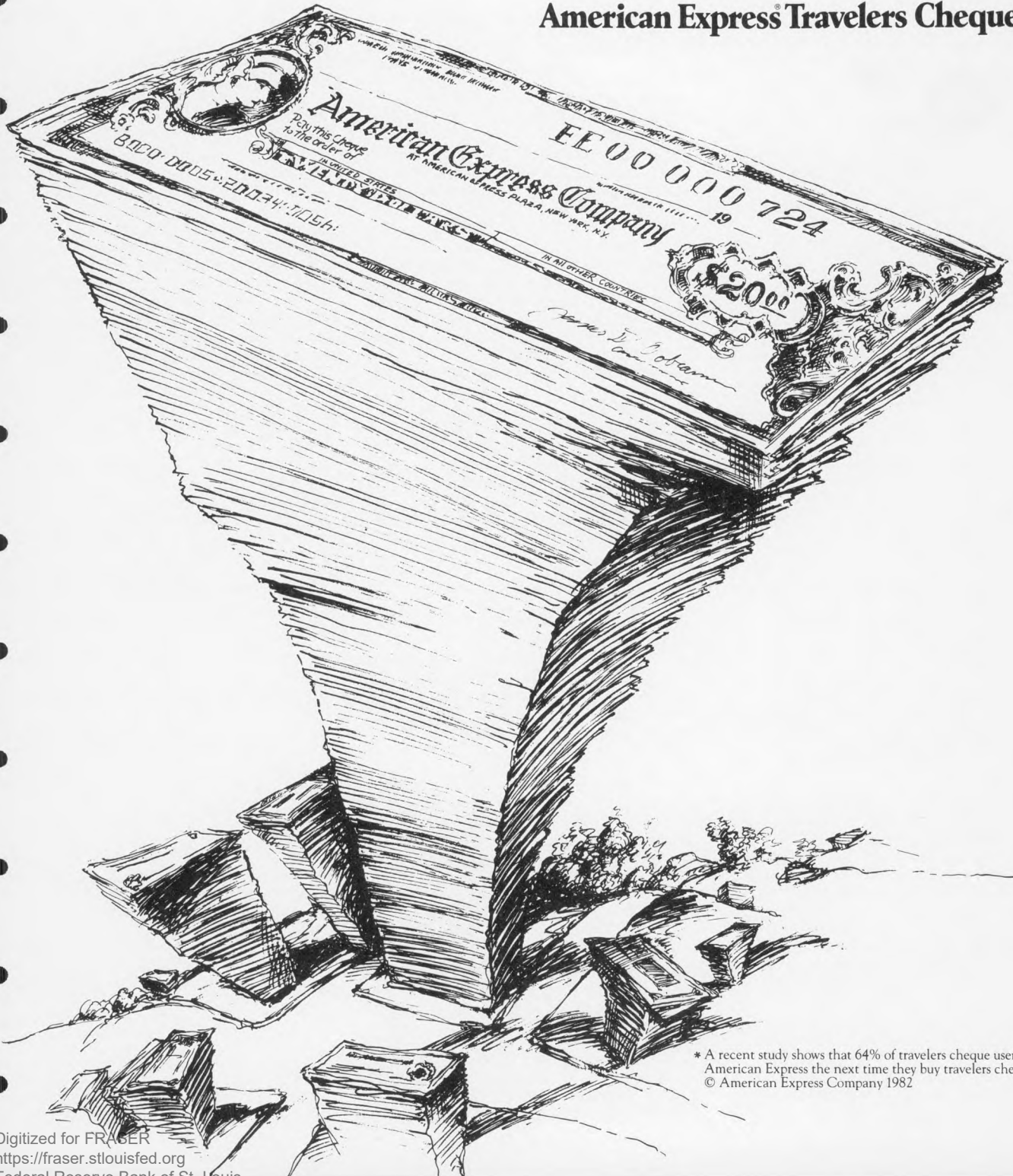
In fact, they don't even come close. In a recent national survey, a majority of travelers cheque users said they want American Express® the next time they buy travelers cheques. Which isn't surprising when you consider that only

American Express offers five special services to help protect your customers' vacation if their travelers cheques are lost or stolen. We can help cancel lost credit cards, issue a temporary ID, and cash a personal check for up to \$200. We even have a 24-Hour

Travel Service Hotline if your customer needs help changing travel plans. And an Emergency Message Service if they want to send a message home. Combine all that with our 60,000 refund locations and nearly 1000 worldwide Travel

Service Offices and you'll see why most travelers cheque users feel American Express is the best brand. So don't settle for less. A majority of travelers cheque users want American Express. And if you don't have them, they may start asking around.

American Express® Travelers Cheques



* A recent study shows that 64% of travelers cheque users want to buy American Express the next time they buy travelers cheques.
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Convention Calendar

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

National Conventions & Schools

- Oct. 16-20—ABA Annual Convention, Atlanta.
 Oct. 24-27—BMA 67th Annual Convention, Phoenix Civic Plaza, Phoenix, Ariz.
 Oct. 31-Nov. 3—RMA 68th Annual Fall Conference, Sheraton, Bal Harbour, Fla.
 Oct. 31-Nov. 3—IBAA Seminar Workshop on the One-Bank Holding Company, New Orleans, La.
 Nov. 7-10—ABA National Agricultural Bankers Conference, Marriott Hotel, Chicago.
 Nov. 14-17—BAI 58th National Convention, Hyatt Regency, Houston, Tex.
 Nov. 15-16—IBAA Spread Analysis and Asset/Liability Management Workshop, Dallas, Tex.
 Nov. 15-19—BMA Essentials of Bank Marketing School, Univ. of New Hampshire, Durham.
 Jan. 23-26, 1983—ABA National Trust Conference, Atlanta Hilton, Atlanta, Ga.
 Feb. 6-9, 1983—ABA National Compliance Conference, Omni International, Atlanta, Ga.
 Feb. 6-9, 1983—ABA Telecommunications and Financial Networks Workshop, Hyatt Orlando, Kissimmee, Fla.
 Feb. 6-18, 1983—ABA National Instalment Credit School, University of Oklahoma, Norman, Okla.
 Feb. 8-11, 1983—ABA National Insurance and Protection Conference of Financial Institutions, Sheraton Twin Towers, Orlando, Fla.
 Feb. 13-16, 1983—ABA Conference for Branch Administrators, Fairmont Hotel, Denver, Colo.
 Feb. 20-23, 1983—BAI Annual Conference on Bank Security, New Orleans, La.
 Feb. 22-25, 1983—ABA Bank Investments Conference, Hyatt Regency, Dallas, Tex.
 Mar. 23-27, 1983—IBAA 53rd Annual Convention, Town and Country Hotel, San Diego, Calif.
 Apr. 17-27, 1983—ABA National Commercial Lending School, University of Oklahoma, Norman, Okla.
 Apr. 24-27, 1983—IBAA 21st Seminar, Workshop on the One-Bank Holding Company, Camelback Inn, Phoenix, Ariz.
 May 8-10, 1983—Conference of State Bank Supervisors, Annual Convention, The Broadmoor, Colorado Springs, Colo.
 May 8-11, 1983—Association of Reserve City Bankers, Annual Meeting, Boca Raton Hotel, Boca Raton, Fla.
 May 8-13, 1983—ABA National Commercial Lending Graduate School, University of Oklahoma, Norman, Okla.
 May 28-June 2, 1983—ABA National AIB Leaders Conference, Sheraton Washington, Washington, D.C.

- July 13-16, 1983—Central States Conference, Jackson Lake Lodge, Wyo.
 Sept. 11-14, 1983—ABA National Personnel Conference, Hyatt Regency, Phoenix, Ariz.
 Sept. 18-21, 1983—NABW Annual Convention, Hyatt Regency, Dallas, Tex.
 Sept. 18-30, 1983—ABA National Instalment Credit School, University of Oklahoma, Norman, Okla.
 Sept. 20-23, 1983—ABA National Bank Card Convention, Bonaventure, Los Angeles, Calif.

State Conventions & Schools

Illinois

- Nov. 14-18—AMBI Commercial Lending Institute, Univ. of Illinois, Champaign.
 Jan. 24-27, 1983—AMBI Washington Trip, Washington, D.C.
 Feb. 23-24, 1983—IBA Marketing Conference, Marriott Pavillion Hotel, St. Louis.
 April 5-6, 1983—IBA Commercial Credit Conference, Ramada Inn, Champaign.
 Apr. 19-21, 1983—IBA Estate Planning Seminars, Mount Vernon, Ill.
 May 4-5, 1983—IBA Consumer Credit Conference, Holiday Inn, Decatur.
 May 23-31, 1983—IBA Bankers School, Southern Illinois University, Carbondale.
 June 9-11, 1983—IBA Annual Convention, Chicago Marriott Hotel.
 June 12-18, 1983—IBA Agricultural Lending School, Illinois State University, Normal.
 June 15-18, 1983—IBA Advanced Ag Lending Clinic, Illinois State University, Normal.
 June 19-25, 1983—IBA Commercial Lending School, Illinois State University, Normal.
 July 10-22, 1983—AMBI Executive Graduate School of Banking, University of Illinois, Champaign, Ill.

Iowa:

- Nov. 3-4—IBA Consumer Lending Conference, Des Moines Hyatt.
 Nov. 30-Dec.1—IBA Strategic Planning Conference, Des Moines.
 Jan. 17-18, 1983—IBA Electronic Funds Transfer Seminar, Des Moines Marriott.
 Feb. 7-9, 1983—IBA Marketing Conference, Des Moines Marriott.
 Feb. 11-12, 1983—IBA Group 1 Meeting, Marina Inn, Sioux City.
 Feb. 16-18, 1983—IBA State Legislature Trip/Leadership Conference, Des Moines Hyatt.
 Feb. 20-21, 1983—IBA Group 11 Meeting, Holiday Inn, Burlington.
 Feb. 23-25, 1983—IBA Midwest Management Conference, Colo.
 Mar. 14-16, 1983—IBA Ag Credit Conference, Scheman Center, Ames.
 Mar. 29-30, 1983—IBA Chief Executive Officer Conference, Des Moines.

- Apr. 24-27, 1983—IBA Washington, D.C. Trip.
 June 19-24, 1983—Iowa School of Banking, University of Iowa, Iowa City.

Minnesota:

- Jan. 12-13, 1983—MBA Personnel Conference.
 Feb. 8-9, 1983—MBA Senior Bank Management Conference.
 Mar. 1-3, 1983—MBA Marketing Workshops.
 Mar. 15-17, 1983—MBA Agricultural Workshops.
 Apr. 12-14, 1983—MBA Lending Workshops.
 May 2-5, 1983—MBA Washington Legislative Conference, Washington, D.C.
 May 9-11, 1983—MBA Investment Workshops.
 June 20-21, 1983—MBA Annual Convention, Hyatt Regency, Minneapolis.
 June 26-July 1, 1983—Minnesota School of Banking, St. Olaf, Northfield.
 July 24-29, 1983—Midwest Banking Institute, University of Minnesota, Morris.

Nebraska:

- Nov. 4-5—Nebraska Independent Bankers Association Fall Round-up, Midtown Holiday Inn, Grand Island.
 Nov. 17-18—NBA Bank Management Conference, Holiday Inn, Kearney.
 Jan. 12-13, 1983—NBA General Lending Conference, Holiday Inn, Kearney.
 Feb. 5-10, 1983—NBA Bank Presidents Conference, Marco Island, Fla.
 Feb. 16-17, 1983—NBA Personnel Conference, Kearney.
 Feb. 27-Mar. 4, 1983—NBA Basic School of Banking, Regency West, Omaha.
 Mar. 13-18, 1983—NBA Intermediate School of Banking, Regency West, Omaha.
 Mar. 30-31, 1983—NBA Ag Outlook Conference, Kearney.
 Apr. 10-16, 1983—ABA Leadership Conference, Greenbriar.
 Apr. 24-29, 1983—ABA Commercial Lending, Omaha Regency West.
 May 5-7, 1983—NBA Annual Convention, Holiday Inn, Omaha.
 June 11-14, 1983—NBA Washington Visit.
 July 10-15, 1983—NBA Trust School, Regency West, Omaha.

North Dakota:

- Oct. 26-27—NDBA Bank Women's Conference, Jamestown.
 Nov. 17-18—NDBA Consumer Credit Conference, Mandan.
 Jan. 26-27, 1983—NDBA Bank Management Conference, Kirkwood Motor Inn, Bismarck.
 Feb. 16-18, 1983—Bank of North Dakota Mid-Winter Break, Bismarck.
 Mar. 16-17, 1983—NDBA Agricultural Credit Conference, Fargo.
 Apr. 26-28, 1983—NDBA Washington Legislative and Administrative Conference, Hyatt Regency on Capitol Hill.
 May 23-24, 1983—NDBA 98th Annual Convention, Civic Auditorium, Grand Forks.
 June 5-10, 1983—NDBA North Dakota School of Banking, Grand Forks.

South Dakota:

- Oct. 27-28—SDBA Economics Seminar for Young Adults, Holiday Inn, Mitchell.

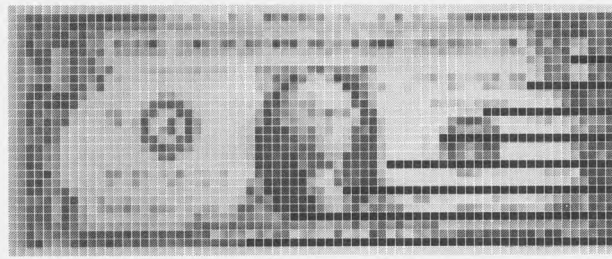
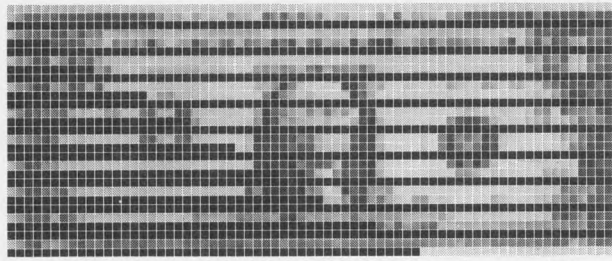
Wyoming:

- Nov. 12-13—WBA Chief Executive Officers Conference, Ramada Inn, Casper.

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Bank Promotions

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

Centerre Bank, St. Louis: Barbara Williamson, vice president-cash management, has been elected chairman of BankLink's management advisory group. BankLink is a computerized corporate cash management system designed to facilitate information flow to and from bank customers. It is comprised of 56 regional banks and is the largest computerized cash management network of its kind, according to Ms. Williamson.

Also at Centerre, the promotions of two officers and appointments of two new officers were announced by Clarence C. Barksdale, chairman and chief executive officer. Michael B. Atkin, formerly bond investment officer, and Pamela R. Boggeman,

formerly commercial banking officer, were named assistant vice presidents. Gail Fleming was appointed word processing officer and Norman Mueller was named commercial banking officer.

Commerce Bank of Kansas City, N.A., Kansas City: Kenneth A. Nielsen, executive vice president of Farmland Industries, Inc., has been elected to the board of directors of the bank.

Richard C. Green, Jr., executive vice president and director of the Missouri Public Service Company, and J. Eric Helsing, senior vice president and chief operating officer of the western home office of Mutual Benefit Life, have been elected to the bank's board as advisory directors.

The election of three new officers at Commerce Bank also have been announced. They are: Merna M. Sol-

omon to trust officer and continuing to serve as trust administrator in the personal trust department; Deborah A. Morris to international banking officer in the international department and continuing to serve as a foreign exchange trader, and Dean Valentine to consumer banking officer and continuing to serve as assistant manager of the installment loan department.

Ms. Solomon holds BA and MBA in finance degrees from the University of Missouri at Kansas City. She joined the trust department in 1977.

Ms. Morris is completing her degree in business administration at the University of Missouri at Kansas City. She joined Commerce's international department in 1973.

Mr. Valentine earned an associate degree in business from Fairbury College in Fairbury, Nebr., and has completed banking courses at the Advanced School of Banking and Commercial Lending School at the University of Nebraska-Lincoln. He joined Commercial earlier this year.

Continental Illinois Corp., Chicago: Changes in executive management, officer-level staff, as well as new personnel assignments following the completion by management of the first phase of a review process centered on the Penn Square Bank of Oklahoma City failure have been announced. Roger M. Anderson, chairman and chief executive officer, said that after an "exhaustive review of the conduct of personnel relating to the Penn Square Bank situation...our investigation has shown that strong measures must be taken to reinforce both the discipline and the management structure of Continental and our actions are responsive to this requirement." The board approved these recommendations:

John R. Lytle, vice president, who headed the mid-continent division of the oil and gas group, the unit principally involved in the Penn Square Bank relationship, has been terminated.

John E. Porta, executive vice president, has been named head of the special industries department, succeeding Gerald K. Bergman, executive vice president, who has resigned. Mr. Porta will continue to head the multinational banking department.

Garry J. Scheuring, senior vice president, has been named head of

DAKTRONICS

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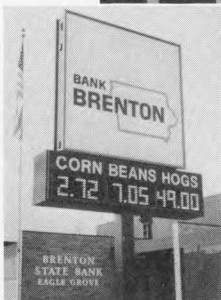
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San Francisco • Seattle • White Plains.



the oil and gas group of special industries. He succeeds John A. Redding, senior vice president, who is retiring. Mr. Scheuring previously was head of the Chicago and Toronto division of multinational banking, which will be headed now by George L. Schueppert, senior vice president, who is returning to Chicago from the bank's Paris office.

Thomas J. O'Bryant, vice president, will head the mid-continent division of the oil and gas group, which was headed by Mr. Lytle.

Continental also has accepted the resignation of Patrick M. Goy, vice president of the mid-continent division of the oil and gas group.

William D. Plechaty, executive vice president and head of personal banking services, who was the bank's auditor from 1969 to 1973, has been named auditor, succeeding Edwin J. Hlavka, senior vice president, who will move to a new assignment within the bank. Joel J. Crabtree, senior vice president, will serve as acting head of personal banking services.

Richard C. Rastetter, senior vice president and head of the loan administration division, will retire and loan administration will report to Mr. Plechaty.

The domestic operating units of general banking services, which are headed by Joseph P. Coriaci, senior vice president, have been reassigned from George R. Baker, executive vice president, to Gail M. Melick, executive vice president in charge of operations and management services.

Mr. Anderson said the first phase review revealed the desirability of improving certain control mechanisms. "The second phase of our review," he said, "will concentrate on an analysis of our lending policies, practices and procedures."

First National Bank of Chicago: To meet continued strong demand for insured student loans, First National recently obtained \$5.2 million in funds for making additional student loans by selling existing loans from its portfolio to the Student Loan Marketing Association (Sallie Mae) of Washington, D.C.

Bob Zagozdon, manager of student loans for the bank, said "First National has provided more than \$50 million in student loans to area students since entering the Guaranteed Student Loan Program in 1968." The loans made by First Na-

tional are insured by the Illinois Guaranteed Student Loan Program, the fourth largest insurer of student loans in the country.

First National Bank of Kansas City: Ten officer promotions and the election of one new officer in the trust and investment division have been announced.

Promoted to senior vice presidents are Clark C. Bradshaw, probate estates staff; Anita B. Butler, who coordinates trust new business development; Thomas A. Foster, coordinator of trust new business development for First National and 23 other CharterCorp affiliate banks, and Steven N. Palmer, trust officer.



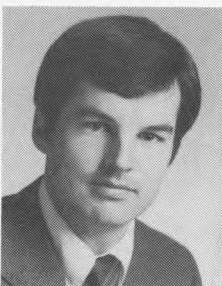
C.C. BRADSHAW



A.B. BUTLER

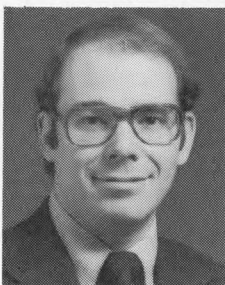


T.A. FOSTER

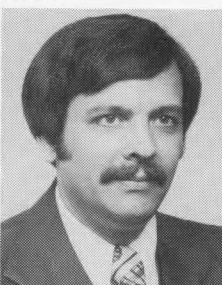


S.N. PALMER

Named vice president are Lyle W. Brizendine, manager of the pension and profit sharing section, and Gary G. Stewart, currently in charge of overall coordination and maintenance of trust operations functions and the administration of trust personnel responsibilities.



L.W. BRIZENDINE



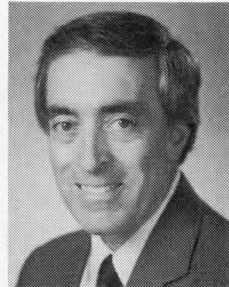
G.G. STEWART

New trust officers are James H. Conley, James D. Cullen, Jr., Michael H. Gerhold and John E. Pihlblad.

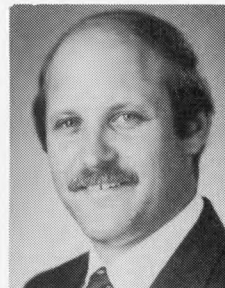
Kathryn Bingham was elected as-

sistant trust officer.

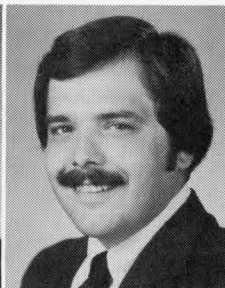
National Boulevard Bank, Chicago: Three promotions were announced in the commercial banking department. Brendan Heintz was advanced to vice president of Division B, Alan Fine became vice president of Division C, and Tom Panos was named assistant vice president in Division B.



B. HEINTZ



A.B. FINE



T.D. PANOS

Mr. Heintz received his BA from Loras College in Dubuque, Ia., and has attended various banking schools, joining the bank after graduation from Loras. After training in various departments he has been assistant vice president in Division B since 1979.

Mr. Pine received his BS degree from Northern Illinois University in 1971 and attended various banking schools. He began his banking career at Capitol Bank in Chicago, later was an assistant vice president in lending at Amalgamated Trust & Savings Bank in Chicago, and most recently was vice president of lending at the Bank of Addison before joining National Boulevard last July.

Mr. Panos received his BSC degree from DePaul University and his MBA degree from DePaul's Graduate School of Business. Prior to joining National Boulevard Bank he was assistant vice president at Ford City Bank and Trust Company. Prior to that he worked at State Bank of Countryside and Continental Bank of Chicago.

Valley National Bank, Phoenix, Ariz.: Gilbert F. Bradley, 62, retired September 1 as chairman of the bank after serving that institution 45 years. He will continue as a member of the bank board.

Mr. Bradley announced the following management changes:

Roger A. Lyon, 55, president of

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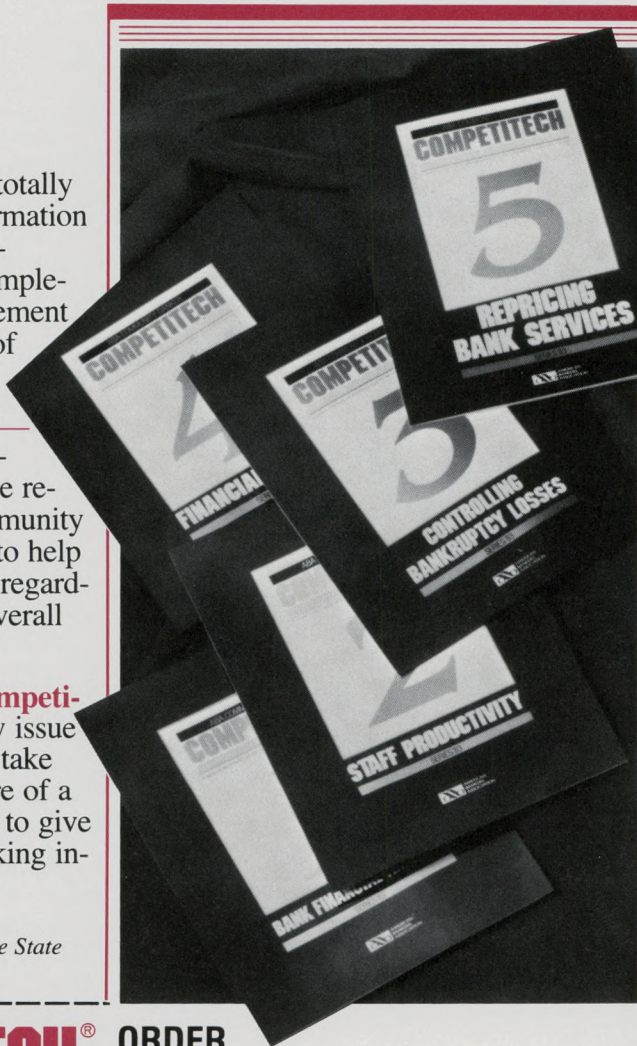
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NB

Valley Bank since April, 1976, and president of the parent Valley National Corporation since its formation in July, 1981, was elected chairman and chief executive officer of the bank and the holding company, succeeding Mr. Bradley.

Howard C. McCrady, 50, who has been executive vice president of the bank and VNC, has been elected president of VNC and vice chairman of Valley Bank. He continues as the bank's chief financial officer.

Leonard W. Huck, 59, a 25-year veteran with Valley, who has been executive vice president in charge of administration for the bank's more than 200 offices, has been elected president of Valley National Bank.

Both Mr. McCrady and Mr. Huck will become VNC directors.

Wells Fargo Bank, San Francisco: Michael D. Jonas has been elected a vice president and appointed director of marketing resources in the marketing, communications and public relations group. Previously, he served as an assistant vice president in the bank's consumer credit division, where he managed the automotive portfolio. His professional experience includes a variety of positions in both marketing and law.

Glenn P. Davis, midwestern regional manager of Wells Fargo Leasing Corporation, Chicago, has been named a vice president. Before joining the company in June this year he was vice president and western regional manager at Continental Illinois Leasing Corporation.

Zions First National Bank, Salt Lake City: William W. Hall has been

appointed vice president and manager of the correspondent services department in the head office, according to Roy W. Simmons, chairman. Prior to his appointment, Mr. Hall was the



W.W. HALL

financial services officer with the Federal Reserve Bank of San Francisco Salt Lake branch. He began his banking career with First National Bank of Logan in 1968 and was vice president and marketing officer at the same time the bank merged with Zions First National.

Competitech's Goal is Productivity

WHAT do controlling bankruptcy losses, repricing bank services, measuring staff productivity and using financial futures as an asset/liability management tool all have in common?

They can each contribute to a bank's bottom line, and they will each be explained in detail in *Competitech*, a new monthly American Bankers Association subscription series providing information and techniques on key banking activities.

"*Competitech* is designed to provide the management of small-to medium-sized banks with a wealth of operational know-how to improve the productivity of their institutions," stated Charles Bruning, chairman of the ABA Community Banking Leaders Council and president of the Edgewood Bank, Countryside, Ill. "Each volume will be a comprehensive and clear one-stop instruction and reference piece, packed with useful, implementable ideas."

As many as 33 state bankers associations already have agreed to co-sponsor *Competitech*. "What bankers are telling us they want are new techniques and technology, and that's what the focus of *Competitech* will be," explained Frank E. Brawner, chairman of ABA's State Association Division and executive vice president of the Oregon Bankers Association.

Initially *Competitech* is offered on either a six-month or 12-month basis. Subscribers will receive their first issue, on measuring staff productivity, in October. The cost of the six-month charter subscription is \$99 for ABA members and \$140 for nonmembers, and orders must be pre-paid. The regular, 12-month subscription costs \$195 for members and \$275 for nonmembers.

Orders, accompanied by the catalog number 021099, should be mailed to Order Processing, American Bankers Association, 1120 Connecticut Ave., NW, Washington, D.C. 20036. Additional information is available from Tom Schrank, ABA, (202) 467-6657.

Boston Regional Office

Continental Illinois National Bank and Trust Company of Chicago last month opened a New England regional office in Boston at One

Post Office Square, with 10,000 square feet of space on the 38th floor.

Marketing Tip of the Month

Giveaways are often confined to items that are used up or thrown out or tucked in a pocket or purse to be forgotten until cleaning day. How about something a bank can offer that will provide a useful service, generate goodwill, and get free publicity for a bank to boot?

As part of its "Customer Appreciation Day" promotion, an Ohio bank in a mid-size city offered holders of its ATM card "Free bus rides on the bank."

In lieu of payment, all the card holder had to do was show the card to the bus driver, who used a paper ticket to keep tabs on the number of passengers taking advantage of the offer.

Granted, the bus company had to keep track of the number of free riders and bill the bank; but in return, the public transportation system had nearly 3,000 additional passengers that day, who potentially could become regular riders.

The bank promoted the event by creating a full-page, two-color ad stressing that public transportation could play an important role in cutting fuel consumption. One result was that the bank got generous free press coverage of the event.

The program cost the bank less than \$3,000 for the bus fares, plus expense for the newspaper ads...but provided a memorable freebie for many of its customers.

For more information, contact Sandra Carcione, Division of Communications, Bank Marketing Association, 309 West Washington Street, Chicago, Illinois 60606. Phone: 312/782-1442.

Future Convention Dates For ABA and IBAA Listed

Dates for future annual conventions of the American Bankers Association and the Independent Bankers Association of America have been confirmed for the following years:

ABA

1983—October 8-12, Honolulu.

1984—October 20-24, New York City.

1985—October 19-23, New Orleans.

IBAA

1983—March 23-27, Town & Country Hotel, San Diego.

1984—March 25-29, Marriott, New Orleans.

1985—March 6-10, Convention Center, San Antonio.

1986—March 9-13, Hilton, Las Vegas.

1987—March 15-19, Hilton, San Francisco.

1988—March 13-17, Sheraton Waikiki, Honolulu.

Corporate

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

Associates Corporation of North America, Dallas: Three vice presidents have been elected in the financial department. They are Corbin E. Bolinger and I.P. Sicotte, Jr., who manages the company's financial department offices in Dallas and San Francisco, respectively, and Esther A. Lord.

Mr. Bolinger and Mr. Sicotte are responsible for sales of commercial paper and other debt instruments, as well as bank and investor relations.

Ms. Lord is responsible for administrative functions in the financial department, including cash management, systems development, planning, reporting and analysis for the finance department.

Michael H. Garton was elected assistant vice president. He is manager of the insurance investment portfolio. Appointed assistant treasurers are Sandra S. Holmes, responsible for banking relations, and Daniel P. Slowinske, Chicago financial office.

BarclaysAmerican/Business Credit, Inc., Chicago: Matthew J. Sopych has been appointed business development officer in the midwest marketing center here. He will structure financial programs for prospective clients throughout the company's midwest region, with special responsibilities in Illinois and Missouri. He has a BA degree in finance from Western Illinois University. Before joining BarclaysAmerican he was a sales representative for Westinghouse Credit Corporation industrial equipment group.

Collateral Control Corporation, St. Paul: Gerard (Jerry) Paez has joined the company as a marketing representative in the Chicago regional office in Mt. Prospect, Ill. Previously, he was a senior account executive for Lanier Corporation, serving major accounts in the Chicago area. Prior to that he founded and operated his own construction company. Mr. Paez holds a BS degree from Northern Illinois University.

Cummins-Allison Corp., Mt. Prospect, Ill.: Administrative offices and manufacturing facilities were relocated recently to a newly constructed headquarters here in mid-summer. The new facility includes 15,000 square feet of office space and 45,000 square feet of manufacturing/warehouse space and is designed to accommodate 40,000 square feet of expansion. It will increase the company's manufacturing capabilities for its document security and control and automated money systems product lines.

Diebold Incorporated, Canton, Ohio: A subsidiary of NV Philips Gloeilampenfabrieken of Eindhoven, The Netherlands, will begin marketing Diebold automatic teller machines worldwide. Philips Data Systems, which has been successfully marketing Diebold TABS ATMs in Canada, The United Kingdom, New Zealand, and Asia under individual country-by-country agreements, now will market and support the 9000 Series ATMs in all countries and territories outside the United States except Puerto Rico and Mexico, where Diebold has established marketing and support organizations.

The Mosler Safe Company, Hamilton, Ohio: Joe McDonald, senior vice president/sales, installation and service, announces the recent promotion of Robert (Chris) Jenkins to vice president/general manager for the company's eastern zone. He will relocate in the Boston area. Mr. Jenkins will be responsible for the administration of all activities related to sales, service and installation of Mosler products to financial institutions and commercial businesses in the eastern zone.

Prior to this promotion, he was Mosler's Gulf States regional sales manager in Tampa, Fla. He has held sales and account management positions with several other companies,

including Xerox. He attended the University of Michigan and holds a BA degree from the University of North Carolina in Chapel Hill, where he also completed a year of graduate study.

Swords Associates, Inc., Kansas City, Mo.: Edward V. Kerrigan has joined the firm as an associate consultant, with primary responsibilities in the bank sale and acquisition division. He was formerly president and chief executive officer of the \$105 million Brotherhood State Bank in Kansas City, Kans., and most recently was vice chairman and an organizer of the First Citibank of Olathe, Kans. His 25-year banking career includes serving as vice president at Commerce Bank in Kansas City from 1966 to 1971 in charge of the retail services division.

It was announced that Roland D. Graham has joined Swords Associates as an associate consultant. His duties will be in regulatory and legislative services for the company. He is a former senior vice president with the Federal Reserve Bank of Minneapolis where he served as legal counsel and administrative officer over the bank's lending and personnel departments, as well as bank and bank holding company examination and supervision in the Ninth District. Since 1979 he has been vice president and general counsel for the 19-bank, \$3.4 billion deposit First Wisconsin Corporation in Milwaukee. He will continue to live in Milwaukee while representing Swords Associates in the upper midwest.

American of Chicago Purchases Two Banks

American National Bank and Trust Company of Chicago has announced the completion of its purchase of a substantial interest in two Chicago suburban banks.

The banks, First Arlington National Bank, Arlington Heights, (previously announced) and First American Bank of Bensenville were purchased from a group of investors headed by Howard McKee.

The two banks have a combined asset total of over \$200 million. Mr. Addington also said that no change in the management structure or the personnel at the banks is anticipated.

Details of the purchase were undisclosed and regulatory approval is pending.

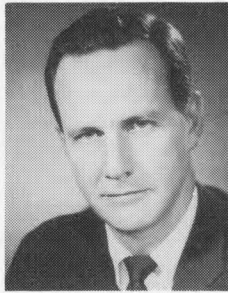


R. JENKINS

Banco Reveals Proposed Name Change

NORTHWEST Bancorporation and all of its banks and financial services companies will adopt a common identity in 1983 if a plan outlined last month at a management conference in Minneapolis receives the expected necessary approvals.

Managing officers of the companies that comprise Northwest Bancorporation, a \$16 billion diversified banking and financial services organization, were given details of the plan for changing the name of the parent and all associated companies.



J.W. MORRISON

If the action is approved by shareholders and state and federal government regulatory agencies, Northwest Bancorporation will change its name to Norwest Corporation, and the more than 120 corporate entities associated with it will change their names to Norwest, with various descriptive terminology (e.g. Norwest Banks).

John W. Morrison, Northwest Bancorporation chairman and chief executive officer, said the new corporate identity will go into effect following the annual meeting of shareholders in April, 1983, if the proposal receives shareholders approval.

The current New York Stock Exchange ticker symbol (NOB) is not expected to be changed.

Northwest Bancorporation owns 86 banks, five trust companies, six financial services companies, including Dial Corporation, a consumer finance company acquired effective August 31 this year, and several other companies that provide support services to the corporation. Some of the banks and some of the financial services companies in turn have subsidiaries whose names also will change.

Northwest Bancorporation and its associated companies have operations in more than 40 states and in Mexico, England and Luxembourg.

Mr. Morrison explained that a new corporate identity "will enable us to reposition our organization in the financial marketplace as a strong national force."

Mr. Morrison said that the old and the new names are similar but sufficiently different to enable the company to convey that it is preserving past strengths while at the same time adjusting to a more competitive marketplace.

He said a change in identification also will facilitate a change in the attitude of employees. "More and more they will view themselves as working for one large financial services organization and a company that is moving toward synergism between our banks and our financial services companies."

Mr. Morrison said the new identity—with one name and one system of graphic identification—"will enable us to significantly escalate the level of awareness, recognition and understanding of our organization and its capabilities, and to assert a much stronger presence in the marketplace. It also will simplify the organization's internal practices and procedures, resulting in significant cost savings."

Northwest Bancorporation was founded in 1929 as a bank holding company, initially with three banks — in Minneapolis, Mason City, Ia., and Fargo, N.D.

The company adopted the word Banco as a unifying symbol in 1972 but most of the affiliated organizations are best known by their individual corporate names.

The affiliate banks today include 34 Northwestern banks, 18 First Northwestern banks, 18 First National banks, nine in which Northwestern is preceded by another number or the name of a geographic location, e.g. Fifth Northwestern, Camden Northwestern, Dakota Northwestern, and eight with such other names as Atlantic State Bank, Bettendorf Bank and Trust Company, Center Bank, Iowa-Des Moines National Bank, Midland National Bank, Security State Bank, State Bank of Worthington and United States National Bank.

Northwest Bancorporation's best known financial services companies, besides Dial, are:

Banco Mortgage Company, the second largest mortgage banking company in the nation; Northwest Growth Fund, one of the largest, oldest and most successful small business investment companies (SBICs) in the coun-

try; Banco Financial Corporation, an asset-based lending subsidiary, and Lease Northwest, a leasing finance company with marketing emphasis in agriculture, construction, printing and transportation.

Another subsidiary, Northwest Computer Services, Inc., provides information and check processing functions for 128 company-related facilities and for more than 500 correspondent bank customers.

Northwest Bancorporation's associated banks and financial services companies operate out of a total of more than 800 locations.

Signs at all of those locations will be replaced, as will all other graphic forms that display current names.

Affected by the name changes will be the combination sign and weather information weatherballs that have become familiar fixtures on many Northwestern banks in the Twin Cities and Omaha areas. The weatherballs are expected to be deactivated when new signs are installed. □

Heads Strategic Planning At AMBI Graduate School

Lawrence R. Chapman, Centerre Bank senior vice president for strategic planning and external affairs, has been named curriculum director strategic planning for the Executive Graduate School of Banking, sponsored by the Associates of Modern Banking in Illinois and held at the University of Illinois, Champaign-Urbana.

Mr. Chapman will develop and conduct a program of study in strategic planning for bankers from the bi-state area who are interested in advancing to senior bank management positions.

Launch Gold Card Program

The Bank of Ireland and American Express Company have announced an agreement to launch the first Irish Pound Gold Card in September.

The Gold Card is designed to meet the needs of higher income earners, by offering a variety of specially tailored financial services in addition to those available to American Express Green Cardmembers.

This agreement brings to three the total number of European countries where the American Express Gold Card is available. It is also available in the United Kingdom and Italy.

● Nebraska Firm to Spend \$1,750,000 on Microcomputer Software for Banks

● **I**N WHAT is believed to be the largest limited partnership funding ever for vertical market microcomputer software products, HTS Partners, Ltd, Lincoln, has announced completion of a \$1,750,000 offering to develop 16 additional AgDisk and BankDisk microcomputer software products.

● First Mid America, Inc. of Lincoln was the sponsoring dealer for the offering, which sold-out. Harris Laboratories, Inc. will serve as the general partner. AgDisk products will be developed and marketed by HTS (Harris Technical Systems - an affiliate of Harris Laboratories, Inc.) while BankDisk will be the responsibility of FSI (Financial Systems, Inc. - a subsidiary of Harris Laboratories, Inc.)

● "AgDisk is already the leading microcomputer software name in the huge agricultural marketplace and BankDisk occupies the same leadership position in financial institutions," commented Mike Edwards, senior vice president and general counsel for First Mid America.

● The specific AgDisk products to be developed by the partnership include: Swine Recordkeeping, Crop Recordkeeping, Planning Calendar, Dairy Recordkeeping, and Cattle Recordkeeping. Four additional AgDisk products developed for the partnership will be "extension modules" for the AgDisk Farm Accounting Package which is already on the market. The extension modules include: Budget Projections, Cash Flow, Grain/Livestock Inventory, and Payroll.

● The extensive number of AgDisk products already on the market today will be joined by the first of these new products in February, 1983. The final AgDisk partnership product is scheduled for completion in July, 1984.

● The specific BankDisk products to be developed by the partnership include: Asset/Liability Management, Safety Deposit Accounting, Installment Lending, Credit Analysis, Repo Contracts, Fixed Asset Accounting, and General Financial Analysis.

● BankDisk products already on the market will be joined by the first of these new products during November of 1982. The final BankDisk

partnership product is scheduled for completion in December, 1983.

Introduce New Credit Card Authorization System

Venture Stores and Mercantile Trust Company, N.A., St. Louis, have reached agreement for the introduction of a new credit card authorization system. The new service began in September. The 44 Venture Stores are located in Illinois, Missouri, Indiana, Iowa and Kansas.

"This new system allows us to provide our customers additional convenience and faster service by eliminating the time consuming telephone calls for credit authorization and the physical search of the list of lost or stolen MasterCard or Visa bank credit cards," said Philip Otto, Executive Vice President, Venture Stores.

Microcomputer Conference Is Slated for Dallas

The first major technical conference addressing the use of microcomputers by financial institutions is scheduled to be conducted by Bank Administration Institute November 2-5 in Dallas.

More than 500 bankers are expected to attend the three-day meeting, MicroScape '82, which will

feature 50 concurrent sessions and an extensive exhibit area.

"Microcomputers will be one of the key factors contributing to bank profitability," said L. Robert Connelly, program co-chairman, and senior vice president and cashier, Union Bank, Los Angeles. "This conference will provide a comprehensive basis for evaluating rapidly changing microcomputer technology."

Robert Long, editor of Microbanker and president of Long, Inc., Schaumburg, Ill., also serves as co-chairman.

Concurrent program tracks will focus on the use of microcomputers in the areas of asset/liability planning; internal accounting and control; education, training and communications; financial services and counseling; and operational and management decision aids.

Other sessions will analyze microcomputer software and hardware, a national information interchange and information sharing.

Registration fees for Bank Administration Institute's microcomputer conference, November 2-5, at Loew's Anatole Hotel, Dallas, are \$445 for Institute members and \$565 for non-member banks. Special discounts are available for multiple registrations from the same financial institution.

For further information, contact Jim Perkins or Debra Martin, Bank Administration Institute, 60 Gould Center, Rolling Meadows, Ill. 60008, 312/228-6200.



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WE’RE GROWING
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How The First Team makes First Chicago your partner in Kankakee, Kansas City, and Kalamazoo.

When you need the support of a money-center bank, think first of First Chicago. Why? Because we'll provide wide-ranging services and fast, decisive responses. Because we offer you a true partnership that supports instead of supplants. And because we give you the services of The First Team to deliver all our resources when and where you need them.

Tom King, Vice President, explains: "Every member of The First Team, from your relationship manager to the specialist in key financial areas, respects your position in the marketplace. We make it our business to back up your relationships with strong, state-of-the-art products and services."

Jack Clark, Vice President: "First Chicago has created a new area called Credit Marketing Services which helps our relationship managers provide a streamlined credit process and fast response. Anytime." Adds Don Boreman, Assistant Vice President: "Our relationship managers know your region thoroughly. Being based in Chicago, they provide the vital link that brings the expertise of all other members of The First Team directly to you and your customers."

Get The First Team working with you in Kankakee, Kansas City, Kalamazoo, wherever you are. Call Tom, Jack, or Don at (312) 732-4100.

 **FIRST CHICAGO**
The First National Bank of Chicago



THE FIRST TEAM

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How to consider...

| DEPOSIT TICKET | | DOLLARS | CENTS |
|--------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|---------|-------|
| DATE _____ 19____ | | | |
| Checks and other items are received for deposit subject to the provisions of the Uniform Commercial Code or any applicable collection agreement. | | | |
| | $\times \frac{33-22}{730}$ | | |
| The deposit benefit | | | |
| CURRENCY | | | |
| COIN | | | |
| CHECKS | | | |
| LIST SINGLY | | | |
| BE SURE EACH ITEM IS ENDORSED | | | |
| TOTAL | | | |
| USE OTHER SIDE FOR ADDITIONAL LISTING | | | |

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...in acquiring a bank

Written Exclusively for THE NORTHWESTERN BANKER by

RANDALL A. HAMILTON
Partner, Des Moines

and

ROBERT V. McMAHON
Manager, Chicago

Peat, Marwick, Mitchell & Co.

THE ECONOMIC BENEFIT of deposits acquired in the purchase of a bank can be so substantial that it is a significant factor in determining the purchase price. As a result, purchasers are now giving closer attention than in the past to deposits, as well as other liabilities, by contrast with a previous tendency to focus primarily on assets, particularly loans.

Traditionally, the key questions were: Are loans high yielding? Is the loan loss allowance adequate? Are the securities held readily marketable? Has the value of fixed assets increased, and will they aid in growth?

The question of deposit mix was of secondary concern, but the approach now is more balanced, with assets and liabilities both being scrutinized carefully. Frequently, the economic benefit of acquired deposits arises because they have rates of interest that are below market rates and can be invested at or above market rates to return a profitable spread. Other economic benefits can accrue to the purchaser, including the relationship established with the base of customers from whom these deposits are generated.

The benefit often can be measured and its useful life determined, but in doing so, consideration should be

given to certain major expected changes in the banking industry, such as elimination of Regulation Q by 1986.

Examining the Deposit Benefit

This article examines why deposits are a substantial economic benefit to a purchaser and how to measure the benefit. It then focuses on the tax and accounting treatment of the benefit, which is often complex. In essence, the acquisition of deposits can provide substantial benefits in today's high interest rate environment.

Although the word "liabilities" has a negative connotation for some, the fact is that deposits — while they are, of course, liabilities — often are bankers' lifeblood. They allow banks to invest in assets at a profitable spread, and the lower the cost of deposits the greater the spread. They provide so important a benefit that banks are willing to pay to obtain them (for example, through advertising, providing convenient branches, and offering premiums.)

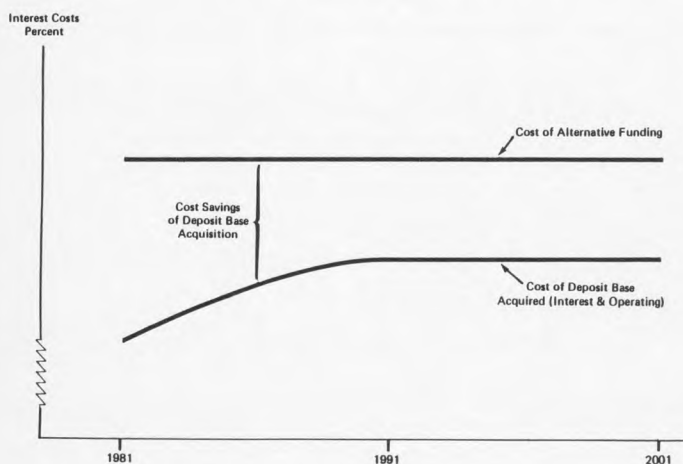
Deposits are of particular benefit when market interest rates are high, as at present, because the costs of many deposits are fixed at a low rate by Regulation Q.

The deposit benefit ...

Consequently, by acquiring deposits, a bank (or a purchaser) obtains certain funds that have relatively low interest rates: 0 percent for demand deposits; slightly over 5% for NOW accounts and regular savings accounts; and less than 9% for time certificates of deposit. While money market certificates of deposit are gaining in importance, these other, lower cost, funds, still are of significant benefit.

To determine its total cost, of course, a bank must add to these interest costs its costs of processing, FDIC insurance, and of meeting reserve requirements. Today, nonetheless, the total cost to a bank for its deposits is significantly less than the cost it would incur in acquiring alternative sources of funds at volatile market rates.

Exhibit I
Value of Acquired Deposit Base



How Is This Benefit Measured?

The benefit derived from assuming deposits in the purchase of a bank can be represented by the after-tax difference between the cost of the deposits and the cost of alternative funds. (See Exhibit I.) This difference is determined by year over the life of the deposit base, and its present value is then determined. In calculating the benefit, three major components should be considered:

1. The life of the deposit.
2. The cost of the deposit.
3. The cost of alternative funds.

1. Life of Deposits—Peat Marwick's experience in assisting purchasers of banks would indicate that the life of deposits is correlated closely to interest rates and that when the rates have risen, deposit life has shortened — primarily because of the ceiling rates imposed by Regulation Q. As market rates have moved above these ceiling rates, depositors have withdrawn their funds. Witness the growth rate of money market funds.

Provisions of the Monetary Control Act of 1980 that

mandate elimination of Regulation Q by 1986 were designed to assist banks and other financial intermediaries in retaining deposits during periods of high interest rates. Thus, in the future, the life of deposits should be longer than would be indicated by the experience of the last few years. It will usually be necessary to modify the historical life to reflect changes in interest rates and the gradual elimination of Regulation Q, or else the deposit life may be materially understated — as will the benefit of obtaining deposits to the purchaser of a bank.

Historical life can be modified through the use of statistical analysis utilized by Peat Marwick to compare deposit life with market interest rates. (Exhibit II attached indicates how deposit life or attrition varies with interest rates and how Peat Marwick determines attrition based upon factors other than interest rates — such as out-migration and death.) The modified deposit life should then be used for the years during which Regulation Q is to be progressively eliminated.

2. Cost of Deposits—The cost of deposits is composed of interest costs and maintenance costs. The latter can be determined by using projections based on historical experience and any expected economies of scale. When Regulation Q is eliminated, interest costs will be more difficult to project and will be based on projections of future market interest rates, prepared on the basis of experience in the futures and bond markets. With the phased elimination of Regulation Q to 1986, interest costs should rise gradually from present levels to near market rates in 1986.

Cost of Alternative Funds—The cost of alternative funds is the price a bank would expect to pay to obtain the same amount of funds as the deposits, with similar terms (unsecured and with the same maturity). Included in this price would be acquisition costs, such as investment bankers' fees.

What Are the Tax Ramifications?

When a corporation purchases a bank, the transaction can be structured in many ways, and the structure selected determines whether the transaction is taxable to the exchanging shareholders and whether it may affect the future federal income tax liability of the purchaser. Moreover, it determines whether the intangible asset which represents the deposit benefit may be claimed as a deduction for Federal income tax purposes.

In general, a transaction may be structured as a tax-free reorganization or a taxable purchase. Each type of transaction is discussed below.

•Tax-Free Reorganization. To be a tax-free reorganization for federal income tax purposes, a transaction must meet several criteria. In general, the transaction must have business purpose. A substantial proportion of shareholders must continue ownership in the remaining firm and the purchase must be consummated primarily through the use of an equity interest of the acquiring corporation. Non-equity interests (referred to as "Boot") used as consideration in a tax-free reorganization are taxable to the recipient.

For tax purposes, assets of the acquired corporation are not revalued in a tax-free reorganization. The tax basis of individual assets and liabilities carries over,

and no new asset representing the value of the deposit base is created.

•**Taxable Transactions.** A taxable purchase can be structured as either a purchase of stock or a purchase of assets.

•**Purchase of Stock.** Under the purchase of stock method, the excess of the purchase price over the acquired bank's book value is considered goodwill. The cost of the stock becomes its tax basis to the acquiring corporation, and this cost cannot be amortized for Federal income tax purposes. Assets of the acquired bank are not revalued in this type of transaction. However, the deposit benefit is not considered an asset and is not amortized.

If the requirements of the Internal Revenue Code are met, a purchase of stock can be treated as a purchase of assets. The acquired bank must be liquidated into the acquiring corporation within a period defined in the Internal Revenue Code. Under the Tax Equity and Fiscal Responsibility Act of 1982, a purchaser may delay the liquidation up to 75 days after purchase of stock and still treat the stock purchase as a purchase of assets.¹ Essentially, the effect is to allow the purchaser to treat the stock purchase as a purchase of the underlying assets.

•**Purchase of Assets.** Under the purchase of assets method, all assets — tangible — are revalued to fair market values. An amortization deduction may be taken for Federal income tax purposes for certain acquired identifiable *intangible assets*. The guidelines for deducting amortization are relatively straightforward, but the application of these guidelines has given rise to extensive litigation in purchase transactions where substantial amounts of intangible assets have been acquired. In fact, the IRS maintains not only that the tax-payer has a heavy burden of proof, but also that a case providing sufficient factual evidence to support such deductions would be unusual. Revenue Ruling 74-156, 1974-2 CB 65, states in part:

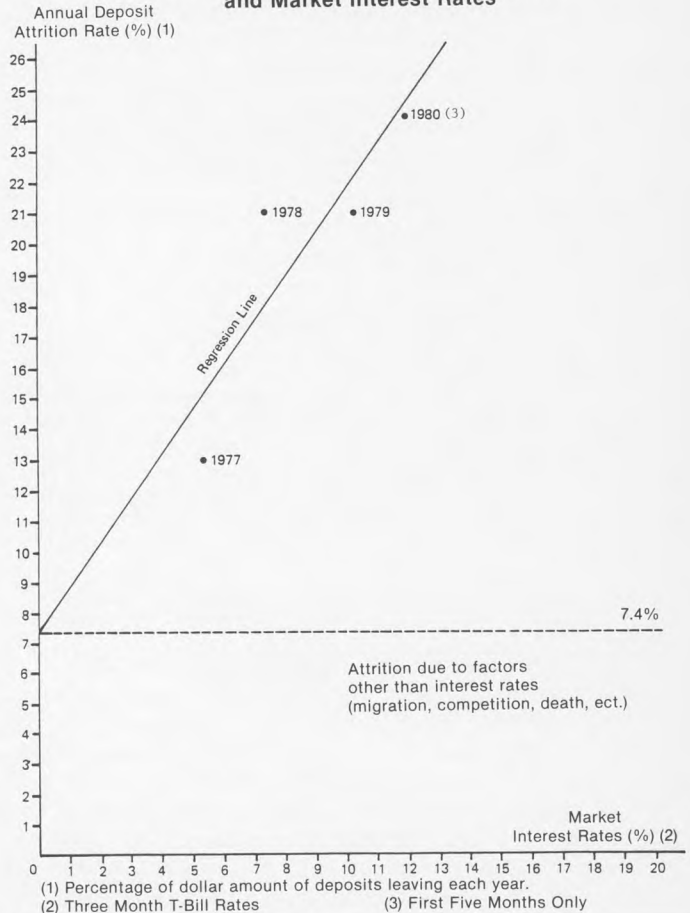
The depreciability of assets of this nature is a factual question, the determination of which rests on whether the taxpayer establishes that the assets (1) have an ascertainable value separate and distinct from goodwill, and (2) have a limited useful life, the duration of which can be determined with reasonable accuracy. No deduction is allowable merely because a basis has been estimated and the asset has a limited useful life in the unsupported view of the taxpayer.

¹This provision is effective for transactions after August 31, 1982. Special rules apply for transactions between September 1, 1980 and August 31, 1982. The new tax act modified the prior law which allowed liquidation as much as three years after purchase.

The IRS and the Courts have not ruled specifically whether the deposit benefit may be considered an identifiable intangible asset having a limited useful life. A few purchasers have claimed the amortization expense as a tax deduction. IRS has reviewed and made partial settlements on a limited number of these claims and has disallowed others. Because these partial settlements came about through the negotiation process at the administrative IRS level, they *do not* constitute precedent binding on IRS or a court of law. Thus, there is, at present, no final resolution regarding the tax deductibility of acquired deposits. Recently, a case involving the question was docketed for trial, so we can

Exhibit II

Relationship Between Attrition Rates and Market Interest Rates



expect IRS to litigate the issue. How long it will take for the courts to ultimately resolve the deductibility of deposit benefit is problematical.

In a taxable purchase of assets transaction, purchasers revalue *all* assets, including intangible assets, to fair market value. Providing for amortization of the acquired deposits for tax purpose may constitute a substantial tax risk where an acquired bank's bond portfolio or mortgage loans have a fair market value substantially less than their tax basis. This is commonplace in today's high interest rate environment. These assets would be written *down* to fair market value, thereby *creating* additional taxable income as the bonds mature or mortgages are paid with no tax benefit for the depreciation.

Example

Consider a bank with stockholders' equity of \$6 million that is to be purchased for \$11 million (in cash, debt securities, or market value of stock).

The purchaser, a bank holding company, is faced with a number of options. It may elect to structure a non-taxable transaction. In today's environment, the market value of this holding company's stock is probably less than its book value; the dilution in earnings and book value share per share may be unacceptable to the purchaser. Alternatively, the purchaser may consider using some preferred stock, but the cost of these

non-deductible dividends may make this alternative less attractive.

The purchaser may decide on a taxable transaction and elect for a purchase of stock. The \$5 million goodwill (\$11 million purchase price less \$6 million book value), however, is not amortizable.

Consequently, the purchaser may consider treating the transaction as a purchase of assets. This approach entails revaluation of the assets, both tangible and intangible.

Assume that book values and fair market values are as follows:

| HYPOTHETICAL BANK | | |
|---------------------------------|------------------------|-------------------|
| (in millions) | | |
| Assets | Prepurchase Book Value | Fair Market Value |
| Cash & due from banks | \$ 6 | \$ 6 |
| Long-Term Investment Securities | 20 | 15 |
| Loans | 70 | 60 |
| Fixed & other assets (cost \$5) | 4 | 6 |
| Benefit of deposits | - | 17.5 |
| Goodwill | - | .5 |
| | <u>\$100</u> | <u>\$105</u> |

As shown, the amount of goodwill has been reduced from \$5 million to \$.5 million, with the benefit attributable to the deposits valued at \$17.5 million. Even with the fixed asset depreciation recapture of \$1 million, it appears that this revaluation has reduced the purchaser's Federal income tax liability.

The reduction, however, is not certain. If, in the opinion of the IRS and the Courts, the taxpayer has not adequately established that the benefit of the deposits has (1) an ascertainable value separate and distinct from goodwill or (2) a limited useful life determinable with reasonable accuracy, the amortization will be disallowed. The benefits of deposits would then be non-deductible for tax purposes. For the hypothetical bank, non-deductible costs would increase from \$5 million (if purchase of stock were chosen) to \$18 million.

The risk of a larger, unamortizable premium is much less for some banks. Those banks have fixed assets with a market value substantially in excess of book, and less depreciation in their securities and loans.

In addition, this risk may be mitigated, and possibly eliminated, in many cases by careful planning. For example, delaying liquidation after purchasing stock can provide additional (although limited) time to dispose of depreciated bonds and mortgages and to enjoy the benefits of the depreciation in the form of a tax loss.

There are potentially high rewards of successfully converting what would otherwise be non-deductible goodwill into tax deductible intangible assets, and also high risks of litigating the question with IRS. Thus, it becomes particularly important to a bank purchaser who plans to claim a deduction for the deposit benefit to take several precautions:

First, the purchaser should make a careful evaluation of the value of the acquired deposits and a determination of the useful life using a method which stands a reasonable chance of success in court.

Second, if substantial amounts of depreciated bonds and mortgages are being acquired, the purchaser should consider purchasing stock and delaying liqui-

dation long enough to permit disposition of these depreciated assets. Finally, a careful review of all of the tax risks and rewards — not simply focusing on the potential deposit benefit — should be made prior to consummation.

What Are the Accounting Ramifications?

In the acquisition of a bank, one of two accounting methods must be used. Which method will depend on how the transaction itself is structured. Under the provisions of relevant requirements of the Financial Accounting Standards Board (FASB), a method called "pooling of interests" (1) must be used if the substance of the transaction is to combine the interests of the shareholders of the combining corporations; otherwise, the alternative called the purchase method (2) must be used.

1. Pooling of Interest Method. The pooling of interest method should be used if *all* of the following conditions are met.

- Independent ownership interests are fully combined, and operations that previously were separate are continued.
- The merger is to be completed within one year in accordance with a plan.
- Existing issue of voting common stock are combined through the exchange of stock. Common stock is issued for at least 90% of the acquiree's common stock.
- Once a combination has been initiated, certain transactions will not be allowed if they are inconsistent with the objective of combining the entire interests of common stockholders.

Using the pooling of interest method, the recorded assets and liabilities of the separate companies generally become the recorded assets and liabilities of the combined corporation. Because the existing basis of accounting of the separate companies continues, the combined corporation records the assets and liabilities of the separate companies at their historical costs. Thus, under this method the direct benefit realized through acquisition of the deposit base would not be recognized in the combined corporation's financial statements.

2. Purchase Method. Business combinations not meeting the criteria for the pooling of interest method must be accounted for by the purchase method, under which assets and liabilities of the acquired bank must be revalued and recorded at fair value in the acquirer's financial statements. The difference between the cost of an acquired bank and the sum of the fair values of tangible and identifiable intangible assets less liabilities is recorded as goodwill.

Fair values should be assigned to all identifiable intangible assets such as the deposit benefit; costs of identifiable assets should not be included in goodwill except where the fair value of such assets are not reasonably determinable. Generally, the fair value of intangible assets, such as the deposit benefit, should be amortized over the estimated life of that specific asset, not to exceed forty years, and should not be written off in the period of acquisition.

In actual practice, accounting and financial reporting for the deposit benefit, using the purchase



"We must make our reputation for honesty and fair dealing. Our opinions and recommendations must be based upon facts. No one's judgement is any good unless it is based upon facts and this is to be a fact-finding organization."

—N. W. Harris, 1882

“Bank holding companies are not required in their financial statements to write off goodwill and, thus, can prepare financial statements in conformity with FASB standards.”

method, has been varied. Some purchasers have separately determined the fair value of the deposit benefit and amortized it over its expected useful life. Many others have not segregated the deposit benefit from goodwill. One reason purchasers may be hesitant to segregate the benefit of the deposit base from goodwill is because the deposit benefit is amortized over its useful life, which is typically significantly less than goodwill, thus adversely affecting current earnings to be reported to shareholders. While the issue has not been tested, some observers believe that the likelihood of receiving IRS or Court approval for the tax deductibility of the deposit benefit will be enhanced when the accounting and tax treatments are the same.

Regulatory Accounting Requirements. Bank or bank holding companies considering acquiring other banks and using the purchase method of accounting should also consider the requirements and positions of the various bank regulatory authorities and, if applicable, the Securities and Exchange Commission, on accounting for identified intangible assets.

Bank regulatory authorities generally require that goodwill which is recorded using the purchase method of accounting be written off immediately in bank financial statements. This requirement is not in conformity with generally accepted accounting principles, as promulgated by FASB. Further, the requirement has generally been interpreted as being equally applicable to identifiable intangible assets, such as deposit benefits.

In contrast, bank holding companies are not required in their financial statements to write-off immediately such goodwill and, thus, can prepare financial statements in conformity with FASB standards.

The Comptroller of the Currency recently issued a banking circular which states that the Comptroller is currently reviewing his policy with respect to goodwill and other related intangible assets acquired in a business combination but, as an interim measure, will now accept the practice of bank's recording deposit benefits as an asset in a business combination. This newly approved practice appears to indicate a welcome change in thinking by the Comptroller and is broadly consistent with the views of FASB outlined above. The banking circular generally requires:

- a detail study to support the value of the deposit benefits
- approval by the Comptroller based on a review of the procedures and results of the detail study
- amortization of the deposit benefit, using straight line or accelerated methods appropriate, over a period not to exceed 10 years
- annual evaluation of the remaining balance of the

deposit benefit to determine that such balance has not been permanently impaired.

Other bank regulatory authorities have not recently addressed this specific matter but are believed to be studying it. In all likelihood, they will be providing guidance in this regard in the near future.

Very recently, the staff of the Securities and Exchange Commission (SEC) expressed concern for the practical impact on acquiring companies' financial statements, using the purchase method of accounting, for acquisition of troubled thrift institutions. Such thrift institutions' low yielding assets are, in certain instances, being fair valued "down" to their current market value with the resultant difference between the fair and book values becoming goodwill which would then be amortized over periods up to forty years. The practical result of this process is to significantly improve the near term reported earnings from the assets and liabilities of the acquired thrift while recording substantial amounts of goodwill amortization over the longer term earnings (up to forty years).

Because of this concern, the staff of the SEC recently issued guidance on applying the purchase method of accounting to acquisition of financial institutions, including banks. Effectively, they are requiring that more attention be paid by purchasers to the proper identification and valuation of intangible assets (such as deposit benefits) which often have much shorter useful lives and amortization periods than does goodwill. Additionally, when such intangible assets cannot be properly valued, they are looking for much shorter goodwill amortization periods than forty years or use of accelerated amortization methods (e.g., sum of the years digits).

What To Do?

Deposit benefits are, of course, only one of the many important factors which must be considered in structuring the acquisition of a bank. If, after considering all relevant factors, it appears likely that a proposed acquisition may be taxable and/or require the use of the purchase method of accounting, then it may be appropriate before finalizing the purchase to:

- perform a detail study to determine the accounting and tax values of the deposit benefits
- identify the tax and accounting strategies which will maximize cash flow and earnings

As there are many uncertainties and unresolved issues presently, you may well find it beneficial to call on an experienced team of accounting, tax and consulting personnel to assist in this process. □

By **BEN HALLER, JR.**
Editor and Publisher

ONE consequence of the forced closing by regulators of an Iowa bank on August 6 was the need to determine the standing of investors in that bank who held \$353,500 in retail repurchase agreements. Apparently, this was the first time the FDIC was called upon to determine whether Repos, as they are commonly known, have a perfected security interest and, therefore, take precedence over general creditors of the bank.

The FDIC had stated when it took receivership of Mt. Pleasant Bank and Trust Co. in Mt. Pleasant, Ia., from the superintendent of banking on August 6 that it planned to have a decision on the status of the Repos the following week. That time frame extended until FDIC's announcement September 13 that it considers now that Repo holders do not have a preferred claim to the government securities in which the Repo investor ostensibly was buying an interest for a period of days.

Earlier, FDIC appeared to be taking the approach that Repo holders were, in fact, protected and stood in line ahead of general creditors of a closed bank. At the same time, the Federal Reserve Board of Governors was asking a New York court to rule oppositely to protect the viability of the estimated \$55 billion international Repo market. In that case, the failed Drysdale government securities firm in New York, holders of the securities were being told by Drysdale they could not sell the securities because the Repo purchasers had a protected, secured claim to them. If the firms holding the securities could not sell them, international markets would have been disrupted considerably.

FDIC attorneys, after studying the Mt. Pleasant Bank contracts and Iowa law, concluded the holders' interests were not perfected. FDIC Senior Attorney Carroll Shifflett did point out, however, that the eventual recovery in previous liquidations has averaged about 90%.

After the Mt. Pleasant Bank failure, and FDIC's announced intention to study the standing of Repos in that liquidation, the NORTHWESTERN BANKER asked Thomas H. Huston, Iowa superintendent of banks, for his interpretation of the legal status of Repos in Iowa. Following that, we surveyed superintendents in nine other upper midwest and mountain states, and also asked one experienced banker in each of nine states for their opinions on Repos. The superintendents were asked three questions:

1. Do you consider Repos to be Loans or Deposits?
2. Do you consider Repos to provide bank customers with a perfected security interest?
3. What is your personal opinion about the use of Repos by banks?

The bankers were asked the same questions, as well as whether they sell Repos in their banks. Presented first are the comments of Mr. Huston when he was interviewed, prior to the FDIC's September 13 decision that it doesn't consider Repo holders at Mt. Pleasant Bank to have a preferred standing. Following Mr. Huston's remarks are summaries and comments from the superintendents and from the participating bankers.

Tom Huston Interview

Mr. Huston: "When this whole subject of retail repurchase agreements came up some time ago, this de-

Repos!

Loans?

Deposits?

Other Liabilities?

Perfected Interest?

Unsecured?

A NORTHWESTERN BANKER SURVEY

partment didn't make any ruling on them for two reasons.

"First, we deferred judgment because the Fed, the Comptroller and the FDIC were all coming out with conflicting opinions about repos and we didn't see how we could come out with something that could possibly overlay what those three federal agencies were doing in conflict with each other.

"Second, we felt that guidelines would legitimize them and we didn't want to do that. I dislike repos; we think they're wrong. It's hard to keep track of them and they are hazardous to the bank and its customers. All we said was that they were legal and we wouldn't stand in the way of them. We consider them to be loans, but unsecured. I don't know if *anyone* knows how to perfect a secured interest in them.

"Here we are in 1982 with people using them nationwide and no one knows the answer! This problem doesn't necessarily stop at the regulatory level. It goes back to Congress and to the Administration. It would never have happened if the DIDC had done its job. No one figured this out, so financial institutions were forced into this by customers who needed a vehicle to get a fair return, or be forced to take their money out of their community.

"It's my honest opinion, and my opinion only, that

instead of ratcheting Reg Q off, you will see Money Market Mutual Funds regulated.

"The opinions by the Fed and FDIC to allow automatic renewal of repos will encourage financial institutions to use them more. Thus, the regulators are fanning a fire they don't know how to control, and that is unfortunate.

"You know, if you don't spend enough time considering and worrying about the problem that can develop with a new idea or product, then you're liable to wake up in the middle of some night and ask yourself how to get out of the mess—when it's too late!"

"The issue from a legal perspective is whether a retail repo is a loan or a sale of securities."

Survey of Superintendents

Of the nine other superintendents surveyed by mail, these eight replied:

Illinois—William C. Harris, commissioner of banks and trust companies.

Wisconsin—Thomas E. Pederson, commissioner of banking.

Minnesota—Michael J. Pint, commissioner of banks.

Nebraska—Paul J. Amen, director of banking.

South Dakota—Glen Ritterbusch, director of banking and finance.

Wyoming—Dwight Bonham, state examiner.

Colorado—Richard Doby, state banking commissioner.

Montana—L.W. Alke, commissioner of financial institutions.

To the first two questions, they replied as follows:

Q. 1. Do you consider Repos to the Loans or Deposits? Six consider them to be loans. Mr. Pederson of Wisconsin said "Neither. Whether purchased or sold under agreements to resell or repurchase, they are contracts, and they are then reflected on state banks' books as *separate assets* or *other liabilities*."

Mr. Alke of Montana said, "Neither. They should be a valid *sale* of a specified security."

These comments were also received about Question 1:

Mr. Pint of Minnesota: "The issue from a legal perspective is whether a retail repo is a loan or a sale of securities. From a practical standpoint, customers may consider repos as deposits due the manner in which many institutions advertise and promote these instruments. Furthermore, funds invested in this manner could be construed to meet the traditional definition of a deposit. Because of the definition and the manner in which they are promoted, I believe customers do not distinguish in their own minds between funds *deposited* as a NOW, checking, jumbo, mini-jumbo, savings, or certificate from those *deposited* in a 'repo' (which, in effect, are not a deposit)."

Mr. Amen of Nebraska: "The department considers a repo to be an obligation of the bank involving the is-

suance of a security by the bank and subject to state and federal securities law."

Mr. Ritterbusch of South Dakota: "The customer is loaning the bank money. This is not a deposit in a traditional sense because it is not insured."

Mr. Bonham of Wyoming: "Being unwilling to perjure myself by calling loans as deposits, I chose to authorize excess lending within certain restrictive guidelines. It also permits the ledging of assets, which would be prohibited by Wyoming statutes if defined as deposits."

Q. 2. Do you consider Repos to provide bank customers with a perfected security interest? Two said yes, four said no, two said it is possible to do so. Here are their comments:

Mr. Harris of Illinois: "In most instances, the securities sold under repurchase agreements do not provide the bank customer with a perfected security interest."

Mr. Pint of Minnesota: "Questionable. I have found this to be a very troubling question and our attorneys have concluded that if there is appropriate third-party pledging, then perhaps there is a perfected security interest. The fact that this is such an unsettled question, plus the practical problems of assuring that the necessary paperwork is accomplished, make us uncertain about a perfected security interest. In order for the security interest to provide safety to the investors in the event of insolvency, the security interest must be perfected. If the security interest is unperfected, retail repo investors have no priority over unsecured creditors."

Mr. Amen of Nebraska: "In order for a bank customer to have a perfected security interest in the underlying government securities, a bank must perfect these security interests under the Uniform Commercial Code; otherwise, the bank customer is a general creditor of the bank."

Mr. Ritterbusch of South Dakota: "They are required to be a perfected agreement if they are being handled correctly, and underlying securities should be held by a third party."

Mr. Bonham of Wyoming: "Yes, if collateral is provided. Has precedence over stockholders."

Mr. Alke of Montana: "The bank has acknowledged *ownership* by the purchasing bank customer; reliance must be placed on the bank's integrity to honor the customer's ownership."

Q. 3. What is your personal opinion about the use of Repos by banks?

Mr. Harris of Illinois: "A repurchase agreement, if properly serviced, can be a useful bank tool. It offers an instrument to the banking public which provides a more competitive yield with that offered by non-bank competitors.

"I would caution all banks to make certain that the employment of repurchase agreements does not unduly strain earnings, liquidity or capital."

Mr. Pint of Minnesota: "I have found the legal relationships surrounding retail repurchase agreements to be very troubling. First of all, it is unsettled whether there is a 'sale' of a security or an obligation of a bank secured by a pledge of securities; if it is the latter, then it is unclear whether a customer has a validly perfected security interest. In a liquidation, the rights of the var-

ious parties would rest on the resolution of these questions.

“My personal opinion is that customers of financial institutions have been educated, if you will, to rely on the fact that funds deposited in a bank, saving and loan, or credit union are insured by the FDIC, FSLIC, or NCUA and, consequently, many have a false sense of security regarding the status of claims against these institutions. While federal regulatory authorities placed very strict rules on deposits and on advertising and full disclosure of deposit relationships, the advertising and disclosure of retail repos has been inadequate and may be very misleading. Many institutions falsely advertise that retail repos are backed by all of the assets of the institutions, whereas clearly they are limited to U.S. Government and agency securities. Furthermore, institutions advertise that retail repos are virtually riskless since they are secured by U.S. Government and agency securities. In fact, there is a real risk from the standpoint of (1) the market risk of the pledged securities; and (2) whether there has been a perfected security interest in the pledged securities.

Originally, I believed retail repos would truly be interim instruments because the scheduled phase-out of Regulation Q would eliminate advantages. However, the DIDC is not moving as scheduled; neither has Congress taken action to allow competition with money market mutual funds. Therefore, we are seeing more repos and more hybrid accounts than ever.

“Finally, I am troubled that the federal regulators have allowed these instruments as a way of accomplishing indirectly what their own rules do not permit directly. I have some philosophical differences with such a ‘backdoor’ method of deregulation, and I think the artificial distinctions as to the true nature of the obligations have created needless and unjustified uncertainty.”

Mr. Amen of Nebraska: “Although the Department has no policy encouraging or discouraging the use of repos by banks, the Department has allowed and notified banks of their authority to issue retail repurchase agreements according to FDIC guidelines. The Department has also authorized banks to offer sweep accounts in connection with repos.

“The Department considers the offering of repos by banks as simply a method to compete with non-depository institutions who can offer instruments which banks cannot under Regulation Q and DIDC restrictions on depository instruments. When, and if, banks are allowed to offer deposits without restrictions as to interest and other terms, the retail repo may become obsolete.

“The Department considers a retail repo to involve the issuance of a security by the banks which is subject to both federal and state securities laws. Accordingly, we have advised banks to give proper disclosure to bank customers in connection with the issuance of repos.”

Mr. Pederson of Wisconsin: “Retail repos of \$100,000 or less, executed to bank customers, appear to be one alternative for a bank to compete with the interest rate/yield offered by money market mutual funds. However, unless accurate and complete (computerized, preferably) records are maintained, severe problems may arise. Notable also is the ‘booked’ value

of underlying securities—if they’re purchased at a discount, is the *par value* or *cost value* reflected?

“Perfection of a ‘security interest’ in book entry issues seems improbable and would pose serious questions on the contract being ‘secured.’”

“The term ‘Repo’ has been too distorted in application to money market transactions, some of which are actually unsecured loans.”

Mr. Ritterbusch of South Dakota: “This division looks upon them favorably for two primary reasons: 1. They allow the bank to compete with the money market mutual funds by providing a market rate and keeping the money in the community for 2. providing additional funds for loan demand. They can create liquidity problems. For the most part, South Dakota banks are not not experiencing a strong loan demand. In a few banks with strong loan demand, repos are helping materially to provide the needed funds.”

Mr. Bonham of Wyoming: “At this time, repos represent an excellent vehicle for reducing deposit runoff to money market certificates. I do, however, have serious reservations concerning the liberal policies of the Comptroller and will not join the parade toward encouraging more bank failures.”

Mr. Doby of Colorado: “It provides another service by banks to their customers.”

Mr. Alke of Montana: “Too many banks have sloppy procedures, and some consider ‘Repos’ as loans secured by pledged securities. This cannot be considered a valid *sale under agreement to repurchase*, which is the real description of a ‘Repo.’ The term ‘Repo’ has been too distorted in application to money market transactions, some of which are actually *unsecured loans.*”

Survey of Bankers

Of the nine bankers surveyed by mail these eight replied:

Iowa—W.P. Ronan, president, Decorah State Bank.

Minnesota—B.P. (Pete) Allen, Jr., president, The First National Bank of Milaca.

Nebraska—Jerry E. Rose, president, Bank of Bennington.

South Dakota—Nels E. Turnquist, Chairman, First Bank of South Dakota, N.A., Sioux Falls.

North Dakota—T.A. Roney, president, Foster County Bank & Trust Co., Carrington.

Colorado—Royce B. Clark, chairman and president, First of Greeley.

Montana—Richard A. Kjoss, president, Security Bank, N.A., Billings.

Wyoming—Henry A. Hitch, president, First Interstate Bank of Casper, N.A.

They responded to the survey questions as follows:

Q. 1. Does your bank sell Repos? Five said yes, Mr. Roney and Mr. Allen said no.

Q. 2. If answer above is "Yes," do you consider your customers to have a perfected security interest?

Mr. Ronan and Mr. Hitch said no to this question.

Mr. Roe, Mr. Clark and Mr. Kjos said yes.

Mr. Turnquist said "We consider the transaction to be a sale subject to our agreement to repurchase. We believe our customers would have a preferred position in event of liquidation.

Mr. Clark said "In the State of Colorado we consider the customer to have a perfected security interest if the maturity is less than 21 days. To the extent the pledged securities are issued in book entry form, the bank cannot obtain or hold physical possession and the bank is unable to state whether or not purchaser has a perfected security interest. This is outlined on our Repurchase Agreement."

Q. 3. Whether you sell Repos or not, do you consider them to be loans or deposits?

Mr. Ronan, Mr. Allen and Mr. Turnquist consider them neither loans nor deposits, but other liabilities. Mr. Roe, Mr. Roney, Mr. Hitch and Mr. Kjos consider them deposits. Mr. Clark considers them to be loans.

Q. 4. Whether you sell Repos or not, what is your opinion of them?

Mr. Allen: "They are a legitimate investment option for bank customers; but, whether we like regulation or not, this is an area that cries out for strict criteria and procedures to assure the customer of either a perfected security interest or perfected transfer. It has been unfair for some responsible and technically particular financial institutions to have to compete with others which did not bother with the details of proper perfection and/or transfer."

Mr. Roe: "They have provided us a means of keeping deposits that we might otherwise have lost. Once these deposits leave, it is difficult to get them back."

Mr. Turnquist: "Retail Repos are a vehicle to provide services to our customers and generate funds for the bank which in the past may not have been permissible under Reg Q, and for us to better compete on a limited basis at least with money market funds. Retail Repos will continue to be useful until the liability side of the balance sheet is deregulated."

Mr. Kjos: "They are awkward to handle, but do provide a way of taking short-term money without reserve

"They would not be a viable item if the DIDC would allow the banks an instrument of deposit that would effectively compete with money market instruments."

requirements—a service which is good for the customer."

Mr. Clark: "In calculation for discount privileges at the Fed window, Repos are considered as borrowed money; therefore, I think we would have to consider them also as loans.

"My opinion of Repos is that they merely are a defensive measure in trying to stem the flow of funds out of the bank into money market instruments. They would not be a viable item if the DIDC would allow the banks an instrument of deposit that would effectively compete with the money market instruments. They do not put money into the bank for lending purposes in as much as you have to have a security to offset the amount of the Repos. A deposit instrument would provide additional monies for the banks to lend and would also be covered by FDIC which would give the banks the flexibility necessary to meet the demands of their market place."

Mr. Hitch: "In our present regulated environment, Repurchase Agreements allow financial institutions to meet short-term investment needs of customers. However, because of their inherent complexity, it is sometimes difficult to fully educate a customer concerning the type of investment entered into even though full disclosure must be made at the time the Repo is issued.

"Due to the characteristics of Repurchase Agreements, consideration must be given to a bank's liquidity position. In addition, excessive maturity and rate gaps between the Repo and underlying security should be avoided.

"Although remote, there also exists the possibility that the underlying securities may decline in value leading to possible loss should a bank fail. The question as to whether a customer would have a preferred claim to the government securities underlying the Repo Agreement is, in fact, presently before the courts."

BAI Convention Is in Houston, November 14-17

Bank Administration Institute has scheduled its national convention November 14-17 in Houston, Tex. All general sessions will be held in the Music Hall of the Albert Thomas Convention and Exhibit Center.

Five general sessions and luncheon speakers will combine with five concurrent sessions, which offer a variety of 18 topics, aimed at helping bankers respond to change instead of resisting such change.

Harry V. Keefe, chairman and

chief executive officer of Keefe, Bruyette & Woods, Inc., New York, will open the convention with his general session address on "Capital Adequacy in the Financial Services Industry." Another general session that day features Paul M. Horvitz, professor, department of finance, University of Houston, whose subject will be "Transition to a Deregulated Environment."

The Tuesday general session topic will be "New Competition and Its Implications for the Banking Industry." The speaker is to be announced. Addressing the noon luncheon that day will be Louis Rukey-

ser, moderator of Public Broadcasting's "Wall Street Week."

The Wednesday general session speaker will be Terry Heineman, concluding the convention at noon with his talk on "Managing Change."

Concurrent sessions will follow each of the principal speakers talks on Monday and Tuesday, and on Wednesday will precede the final talk.

Inquiries for convention registration should be addressed to BAI at P.O. Box 93879, Chicago 60670 or 800-323-0146 (in Illinois, 800-942-2181, ext., 562).

Over 300 Attend Market Day

By **STEVE BURCH**
Associate Publisher

THE FIRST Stock Yards Bank and First National Bank co-hosted their 26th Market Day, September 8 in the St. Joseph stock yards. Over 300 bankers attended the annual event which originated as a means of familiarizing bank customers with the workings of the stock yards complex. Traditionally each Market Day includes a tour of a stock yards based business or industry followed by an afternoon agri-business oriented program. The Missouri Valley Walnut Company, a saw mill and veneer products factory, was the selected tour industry this year. Founded in the stock yards in 1938, the company has grown to become a leading producer of quality wood veneer with an annual sales volume in excess of \$10 million.

During the luncheon program Lyman Frick, senior vice president and senior trust officer at First National, presented a review of an estate planning seminar developed by his department. With the many changes in tax laws during recent years, he urged the bankers to contact and counsel their customers in relation to existing estate plans. This is of particular importance to estate plans designed prior to the enactment of the 1981 Tax Bill which contains many changes in joint property, tax-free transfers and trust provisions.

Ken Gilpin, also a senior vice president with First National, followed with an update on the influx

of new companies entering the financial services industry. His talk entitled "Are You Ready for Sears?" emphasized that even though a community bank may consider itself remote from the influence of regional financial centers, community banking customers are being exposed to financial marketing by such vehicles as cable television programs sponsored by financial institutions in markets like Chicago and Atlanta.

In a continuing effort to provide their correspondent customers with services and products to be used in competing for local investment dollars, Mr. Gilpin announced the recent formation of the Cash Management Department headed by John Ford. A new on-line feature now being managed by the department offers remote bank processing. Considered unique to their area, Mr. Ford added that this remote lock box function will significantly accelerate cash flows for their larger correspondent customers.

The session adjourned from the stock yards to the St. Joseph Country Club for the afternoon program which was headlined by Frank Hough, professor of economics at Graceland College. Mr. Hough advised the bankers against making major policy changes relating to business decisions as a result of the current recessionary climate. He told them to "keep moving but make no sudden moves...as though you were walking in a snake pit." In encouraging the agri-bankers present to consider a persons self worth

when reviewing financial statements, he feels that a banker has more control over a persons dignity during "hardtimes" than any other member of the community. On that note, he urged the bankers to treat loan denials and foreclosures with a great deal of discretion adding that the loss of self respect and self esteem suffered by the borrower is difficult to restore when economic conditions improve. He concluded his "Self-Worth vs. Net Worth" comparison on a positive note referring to the durable qualities of human nature and he predicted that these traits would be instrumental in the nation's economic recovery.

James Reynolds, president of St. Joseph Stock Yards, chaired a panel of agri-business leaders who offered reports and forecasts on grain and livestock prices. Other panel members were Joe Treu, cattle manager, Swift & Henry Livestock Co.; Bill Sonner, cattle manager, Missouri-Burlington Livestock Co.; Merrill Karr, hog manager, John Clay-Heady Fannen Livestock Co., and Tom Kuehl, grain marketing director, Far-Mar Co. All of the panel members agreed that the ag outlook for 1983 remains bleak with the only possible bright spot being increased hog prices. Following the individual presentations, the panel answered questions from the bankers and ag producers in the audience. John Karn, chairman, First Stock Yards Bank, and Benton O'Neal, president, First Midwest Bancorp., brought the formal portion of the program to an end by thanking the bankers for their continued participation in Market Day and invited them to a steak fry served on the club house patio.



Those attending Market Day 1982 included: LEFT—**Robert Henstorf**, pres., 1st Natl., Farragut, Ia.; **Hugh Loudon**, pres., Citizens State, Clarinda, Ia.; **John Liljedahl**, pres., 1st Natl., Essex, Ia.; **Boyd Nuckolls**, pres., Bk. of Craig, Craig, Mo.; **John Karn**, chmn., 1st Stock Yards Bk., St. Joseph, and **Dale Fulk**, ag bkg. rep., Citizens State, Clarinda, Ia. RIGHT—**Jay Harper**, pres. & chmn., Bucklin State; **Bill Manning**, v.p., 1st Natl., St. Joseph; **John Rogers**, Comptroller of Currency, Kansas City, and **Roger Hegarty**, chmn., 1st Midwest Bancorp., St. Joseph.

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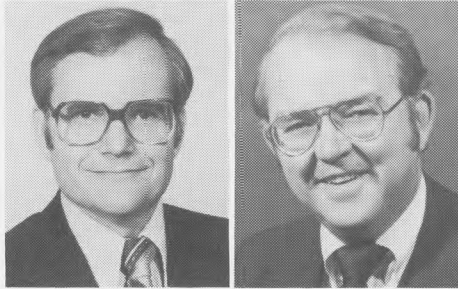
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Illinois

D.R. Lovett, chmn. & pres., Dixon
W. J. Hocter, exec. v.p., Chicago



Illinois Bankers Association Holds 36th Ag Conference

By **STEVE BURCH**
Associate Publisher

“**W**ELL, no one ever said that it was going to be easy!” could very well have been the theme for the 36th Annual Illinois Bankers Association Agricultural Credit Conference held in Champaign September 14-15. The nearly 400 agribankers in attendance did not receive a very bright financial forecast for the grain and livestock industries in the midwest. Combined factors of a record '82 grain crop, a shrinking share in the export markets, a slow 3rd world economy with little buying power and growing competition from a subsidized Euro-

pean ag industry all contribute to an outlook of continued low prices and decreases in demand.

Keynote speaker Frank Naylor, Under Secretary of Agriculture for Small Communities and Rural Development, opened the conference by leveling a blast against all foes of President Reagan's economic policy. A veteran of four administrations, he emphasized that the ag economy could not be divorced from the nation's general economy and in this light pointed to a “nearly uncontrollable” budget deficit. Reminding the bankers that 48% of the current budget is spent on social programs, Mr. Naylor continued his attack on

administration foes by charging the bankers, as community and business leaders, with the responsibility of demanding that their elected officials get the economy under control. He further urged the bankers to become active in promoting productive spending within their communities and in this area he feels that some improvement can be seen. He reported that regulatory progress is being made in Washington that, coupled with a continued growing lowering of inflation and interest rates, should lead to productive reinvestment in business capital.

Addressing the immediate credit needs of Illinois farmers, Mr. Naylor suggested that all of the ag lenders within a particular area would have to share the loan responsibilities and demands for that area. In consideration of the “gloom and doom” forecasts, he closed by stating that a break-even farm operation is about all that could be hoped for during the coming year.

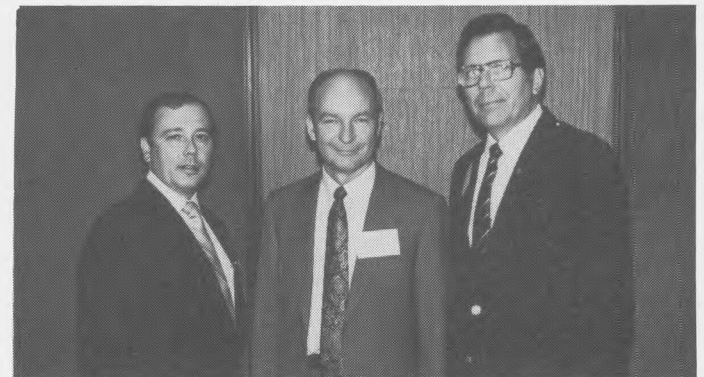
Howard Beerman, an ag lender with 20 years experience and now director of Hedging Services, Heinold Commodities, Inc., followed with some guarded optimism for 1983. He presented an example using current grain prices and the 12 month



Those attending the IBA Ag Credit Conference included: **LEFT**—John Crotty, sr. v.p., Drovers Bk., Chicago; Gary Edwards, v.p., Golden St. Bk., Golden, and Andy Ruments, v.p., Drovers. **RIGHT**—IBA Pres. Don Lovett, chmn. & pres., Dixon Natl. Bk.; Kim Kleinschmidt, v.p., Farmers St. Bk. of Minier; Bob Maierhofer, v.p., Community St. Bk., Seneca, and Bill Hocter, IBA exec. v.p.



LEFT—Mike Carey, program mgr., Bank Administration Inst., demonstrates features of INNERLINE computer software. **RIGHT**—Conference speakers included Wink Schairer, sr. v.p., Woodford County Bk., El Paso; Lyle Campbell, chmn., Mount Greenwood Bk., Chicago, and Howard Beermann, dir., Hedging Services Div., Heinold Commodities, Inc., Chicago.



hog hedge which would result in the producer realizing a \$5 per bushel selling price for his corn. He said that this type of example dramatizes that producers can no longer rely on inflation and growth to pay their finance bills. Profitable farm operation clearly is in an era dominated by marketing he said, and warned that marketing decisions can no longer be made on "whims and gut feelings" but require the counsel of experts. In today's environment of market specialization and growing risk factors, Mr. Beerman warned the bankers on the dangers that can be encountered when counseling a borrower in the futures market. He feels that the agri-banker needs to keep abreast of the markets in general, but portfolio strategies should be left to a qualified broker. He also feels that it is important for the banker to maintain communications with both the producer and broker in reference to the commodities account.

"The Not-So-Peaceful Country-side" was the title selected by Paul Barbick for his topic on stress management. An associate with Vopak & Associates, Inc., Mr. Barbick reviewed the relationship between stress, tension and production. With fewer farmers doing cartwheels on the way to the elevator, he gave the bankers pointers on recognizing stress in others and what can be done in helping someone suffering from severe stress related pressures.

During the afternoon the conference was segmented into three workshop sessions which were designed so that a person could attend each of the sessions. The workshops focused on in-house microcomputers, ag lending to elevators and accounts receivable financing.

Highlighting the evening activities was the presentation of scholarships to two college students. This years scholarships, worth \$1,000 each, were awarded to Steve Phillips, Southern University of Illinois and Rex Clark, University of Illinois.

Merger Talks Terminated

Elm Bancshares, Inc., the parent company of Elmhurst National Bank, and First Lake County Corp., the parent company of First National Bank of Libertyville, have mutually agreed to terminated merger discussions due to prevailing general market conditions.

Midwest Financial Group Selects Founding Board

Midwest Financial Group, Inc., recently completed selection of its founding board of directors.

Commercial National Corporation, which owns Commercial National Bank, University National Bank, and Prospect National Bank, Peoria, is in process of merging with banks in Springfield, Kankakee and Champaign to create the \$1.1 billion holding company.

Peoria founding directors include: David E. Connor, chairman, Commercial National Corporation; Ted Flora, president, Hagerty Brothers Company; Harry D. Feltenstein, Jr., president, Central Illinois Light Company; Harry M. Goldstein, president, Cohen Furniture Company; Chris R. Hoerr III, president, Chris Hoerr and Son; Lee L. Morgan, chairman, Caterpillar Tractor Co.; James M. Unland, president, James Unland and Company, and Murray M. Yoemans, president, Yoemans Distributing Company.

Springfield founders include: A.D. Van Meter, Jr. president, Illinois National Bancorp, Inc.; Robert B. Oxtoby, attorney, Van Meter, Oxtoby and Funk, and William S. Gingold, a prominent Springfield businessman.

Champaign founders include: William C. Fox, chairman, Champaign Bancorp, Inc.; Donald D. Dodds, Jr.,

president, Doddson Travel Agency, Inc.; and John E. Corbally, Jr., president, John D. and Catherine T. McArthur Foundation.

Kankakee founders include: Walter J. Charlton, chairman, First Trust and Savings Bank of Kankakee; Richard B. Gibbs, president, Bert L. Fitzgerald and Son, Inc.; Leslie Small, senior vice president, Mid-America Video, Inc., and Robert L. Moyer, vice president, Small Newspapers.

In addition to the three Peoria banks, Midwest Financial Group is scheduled to include Illinois Bank of Springfield, First National Bank in Champaign, and First Trust and Savings Bank of Kankakee. The merger is expected to be consummated by the end of the year.

Acquisition Completed

Continental Illinois Corporation, parent company of Continental Illinois National Bank and Trust Company of Chicago, has completed the acquisition of the Bank of Oakbrook Terrace. According to the agreement, the Oakbrook Terrace bank's stock was sold to Continental at the price of \$68 per share.

John B. Tingleff, senior vice president in charge of Continental's acquisition and management program for subsidiary banks in Illinois, has been named chairman of the Bank of Oakbrook Terrace.

Buffalo Grove Bank Breaks Ground



BREAKING ground for a two-story, 12,000 sq. ft. addition to Buffalo Grove Natl. Bk., 555 W. Dundee Rd., are (from left) **Francis W. Morley**, chmn. of the bank's bd. of dir. and pres. of the Employer Plan Administrators and Consultant Co.; **John B. Tingleff**, sr. v.p. in charge of Continental Bank's acquisition and management program for subsidiary banks in Illinois; **Michael A. Speziale**, bk. pres., and **William Balling**, Buffalo Grove village mgr. Buffalo Grove Natl. Bk. is a subsidiary of Continental Illinois Corp., parent of Continental Bk. The estimated cost of the addition is \$2 million.

Loss control expertise, state-of-the-art testing devices, and “A BUCKETFUL OF COMMON SENSE”



One of our policyholders sensed a potential carbon monoxide problem. An EMC on-site test confirmed the danger. We recommended some simple corrective steps to meet health/safety standards.

Said the policyholder: "It wasn't intricate or involved; it wasn't expensive . . . he just mixed his education with a bucketful of common sense."

A bucketful of common sense is one of the

traits that makes Employers Mutual's insurance programs attractive to business owners seeking improved profitability.

Employers Mutual makes a lot of sense to independent agents, too. Our loss control experience and equipment and our common sense approach to improving hazardous conditions in the workplace can help you sell . . . and keep . . . profit-minded commercial clients.



Employers Mutual Companies

Des Moines, Iowa

When the bank guaranteed that you would only deal with one person, you didn't know they meant one after another.



Perhaps it's happened to you. Just when you had built up a working relationship with your correspondent banker, the bank moved him up the corporate ladder and off your business.

All too often, a large bank can be insensitive to the needs of small respondent banks. Yet smaller banks that can give you plenty of personal attention can't always give you the expertise and the clout you need. And you're caught in the middle.

You do, however, have an alternative: Midland National

Bank. We're big enough to handle any of your correspondent banking needs. But we're still small enough to respond to your individual concerns.

We've deliberately kept our Correspondent Division small, so that you can deal

directly with a decision maker. Each of our correspondent bankers has from 12 to 25 years of experience in the business, so they thoroughly understand the needs of respondent banks. They take the time to personally call on both the respondent bank and the respondent's customers.

If you're tired of banks that are too large or too small, come to Midland Bank.

You'll develop a close working relationship with one of our correspondent bankers. Not one after another.



We're big enough to know how and small enough to know you.

Minnesota

J.P. Ingebrand, pres., Mora
T. L. Jeffers, exec. v.p., Minneapolis



Named President At First Bank Rochester

First Bank Rochester has elected Norbert J. Conzemius president and managing officer. He succeeds Paul W. Olander, who has resigned to establish a bank counseling firm.

Mr. Conzemius was serving as senior vice president and group executive, North Dakota and South Dakota Group, of First Bank System, Inc. He began his banking career in 1966 at



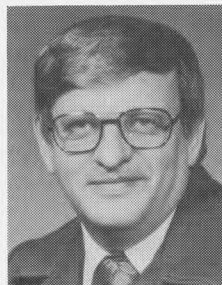
N.J. CONZEMIUS

First Bank St. Paul, where he was promoted to commercial loan officer in 1968. He was elected vice president and division head in the commercial lending area in 1974 and in 1978 became vice president in the consumer banking group, the position he held until his election in 1979 as senior vice president and group executive of First Bank System's Minnesota South Group. He has held his most recent position since 1980.

Windom President Elected

The board of directors of First Bank Windom has elected Virgil Eckhoff president and managing officer. He succeeds Douglas L. Davidson, who has resigned.

Mr. Eckhoff has been serving as president and managing officer of First Bank Lidgerwood,



V. ECKHOFF

N.D. He began his banking career in 1953 at First Bank Clark, S.D., and eventually moved to Blue Earth, where he was elected vice president at First Bank Blue Earth in 1970, a position he held until his

election as president at Lidgerwood in 1977.

Joins Rochester Bank

William A. Brown has joined Northwestern Bank of Rochester as assistant vice president, financial services officer. He will fill a newly created position which will offer an independent, personal financial counseling service.

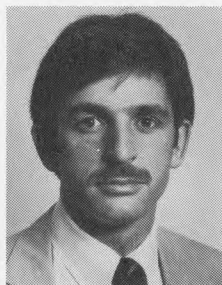
He previously was employed as in-house counsel by Minnesota Mutual Life Insurance Company in St. Paul and has completed training at Northwestern National Bank of Minneapolis in the trust department and the financial counseling division.



W.A. BROWN

Worthington Bank Names Two

Shirl L. Held has been named vice president and Paul Kleinwachter has joined the bank staff as an agriculture loan officer trainee, at State Bank of Worthington.



P. KLEINWACHTER



S.L. HELD

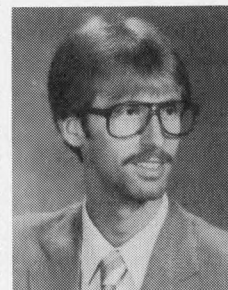
Mr. Held recently retired as superintendent of schools, a post he had held for 20 years, is president of Worthington Industries and is a member of the board of directors of Worthington Area Chamber of Commerce.

Mr. Kleinwachter attended Bemidji State University and has a BS degree from the University of Minnesota.

Auditor Named in Mankato

Starr J. Kirklin, president of First Bank Mankato, recently announced the election of Kevin D. Miller as auditor.

Mr. Miller joined First Bank Mankato in 1977 as a teller and most recently held the position of operations assistant. He previously was employed at First Bank Austin.

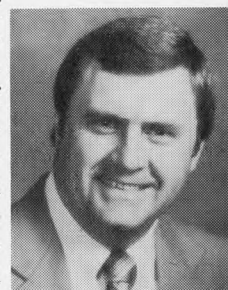


K.D. MILLER

Citizens State, Brainerd Elects Williams President

The board of directors of Citizens State Bank, Brainerd, has announced

the election of Warren Williams as president and chief operating officer. He succeeds Marvin Campbell, who began his banking career in 1940 and has served as president since 1941. He will remain as chairman and chief executive officer until his retirement in June.



W. WILLIAMS

Prior to Citizens, Mr. Campbell was president of First National Bank of Crookston for 16½ years.

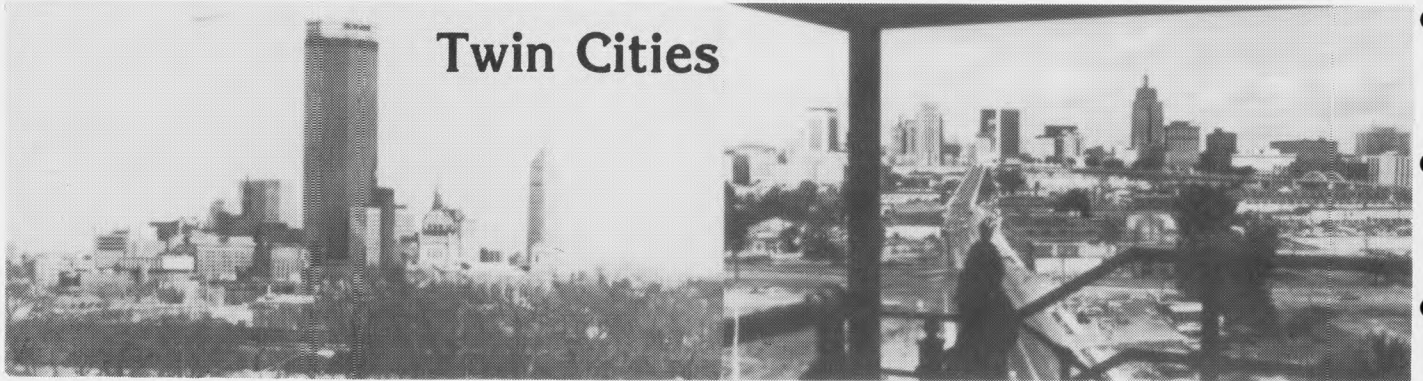
Mr. Williams previously was with First American National Bank of St. Cloud for six years, serving most recently as senior vice president. Prior to that he was with First National Bank of Minneapolis for 11 years, where he attained the position of assistant vice president.

Acquisitions Approved

The following applications were approved by the Federal Reserve Bank of Minneapolis for bank holding companies to acquire the respective banks:

Noble Bank Holding Company, Inc., Red Wing, to acquire First State Bank of Red Wing; Ashby Bancshares, Inc., Ashby, to acquire the First State Bank of Ashby; Finlayson Bancshares, Inc., Finlayson, to acquire Farmers State Bank of Russell, and Northeast Bancorporation, Inc., Minneapolis, to acquire First American State Bank of Sargeant.

Twin Cities



JOSEPH R. KINGMAN III was named president and chief operating officer of American National Bank, St. Paul, effective October 1.



J.R. KINGMAN III

Mr. Kingman, most recently vice chairman of First Bank—Minneapolis, brings with him to the bank over 30 years of senior management and broad commercial banking knowledge and experience.

James W. Reagan will continue as chairman and chief executive officer of American National Bank and president and chief executive officer of American Bancorporation, Inc.

Mr. Kingman was graduated from Amherst College with a BA degree. He also attended the Minnesota Executive Program at the University of Minnesota. While serving with First Bank Minneapolis, Mr. Kingman held vice chairman positions in the retail/metropolitan trust group and the national/international banking group, and senior vice president positions of the corporate staff services and retail groups. In 1979 he was elected vice chairman and a director of First Bank Minneapolis.

Also at the bank **Ernest W. Jensen** has been promoted to vice president-credit review; **Jane K. Dodge** has joined the consumer banking division as assistant vice



E.W. JENSEN



J.K. DODGE

president and personal banking manager; **Sandra K. Johnson** was promoted to trust officer, and **Patricia J. Cullen**, **Laura C. Swain** and **Beth R. Taylor** were named investment officers in the bond department.

Mr. Jensen joined American in 1978 as chief auditor, was elected credit review officer in 1980 and assumed credit administration for the commercial banking division earlier this year. Ms. Dodge previously served seven years with F&M Marquette. Ms. Johnson has been at the bank since 1969 in the trust division. Ms. Cullen began as administrative assistant in the bond department in 1975. Ms. Swain joined in 1978 as assistant trader. Ms. Taylor joined in 1981 as a money market trader.

* * *

Northwestern National Bank of Minneapolis has announced the election of two vice presidents, ten assistant vice presidents and 12 other officers.

James S. Carlock was elected vice president in the loan administration



J.S. CARLOCK



D.L. SODMAN

department. He joined Northwestern in 1979 and holds an accounting degree from the University of Illinois.

In the trust and investment group, **Donald L. Sodman** was elected vice president in the individual marketing, individual services department. He joined the bank in 1977.

Promoted to assistant vice president were: **Gary Gapinski**, loan administration department; **Lynn F. Hebel**, **James R. Horn, Jr.**, and **Gordon M. Gilbertson**, midwest department I; **Theodore R. Novak**, consumer banking; **David J. Peterson** and **Kenneth O. Beckwith**, central operations department; **Maureen M. Dunn**, consumer operations, and **Martin V. Olson** and **Warren G. Herreid**, systems department.

Promoted to officer status were: **Harold Brandel**, commercial loan collateral; **Keith A. Isaacson**, correspondent agricultural; **Dennis W. Fischer**, **Anthony R. Michog**, **James K. Francis** and **Sue Ann Stredelman**, commercial banking, and **Scott A. Faris** and **Thomas A. Swan**, correspondent banking.

* * *

Mary Kay Arndt has been elected assistant vice president and **Marcia L. Friesen** and **Kathleen Niki Rogers** have been named operations officers at First Bank Minnehaha.



M.K. ARNDT

Ms. Arndt began her career with the bank in 1980 as human resources officer. Ms. Friesen started in 1977



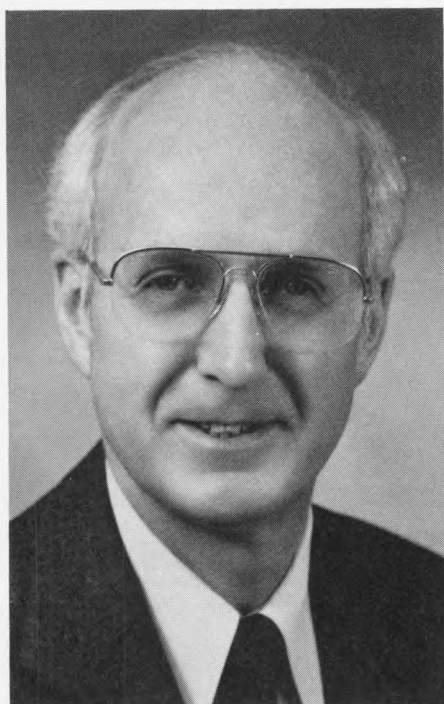
M.L. FRIESEN



K.N. ROGERS

in the account services department. Ms. Rogers joined the bank in 1981 in operations.

Look for us in Atlanta



Jim Reagan



Bob Sipple



Jack Barry

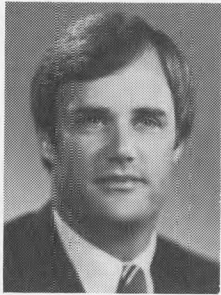
We look forward to seeing our banker friends at the American Bankers Association Convention.

We hope to see you there and to talk with you about how American's full line of correspondent services can benefit your bank.

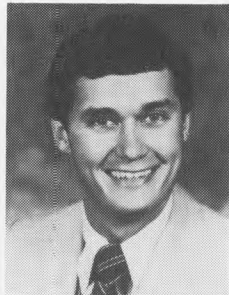
A M E R I C A N
NATIONAL BANK • SAINT PAUL

The board of directors of the Northwestern National Bank of St. Paul recently announced the election of two vice presidents, one assistant vice president and three new officers.

Keith J. Vigors was elected vice president and division manager of the secured lending division in the commercial banking group. He recently joined the bank from First



K.J. VIGORS



J.R. CAMPBELL



K.A. HYDUKE



N.L. AMIOT



J.M. BOWES



W.D. VORTERS

National Bank of Rochester, where he was vice president in the commercial department.

Jon R. Campbell was promoted to vice president of the special technologies division in the commercial banking group. He joined the bank in 1979 from the U.S. National Bank of Omaha, where he was a regional credit trainee.

Kathleen A. Hyduke has been elected assistant vice president of the metropolitan commercial banking division of the commercial banking group.

Promoted to officer status were: **Naomi L. Amiot** and **Jacqueline M. Bowes**, operations, and **Wanda D. Vorters**, commercial banking.

Robert E. Dahl has joined Northwest Bancorporation in its loan administration division as vice president, loan pool manager, a new position.



R.E. DAHL

Mr. Dahl has been serving as executive vice president of First Northwestern National Bank of Billings, Mont., a Banco affiliate bank.

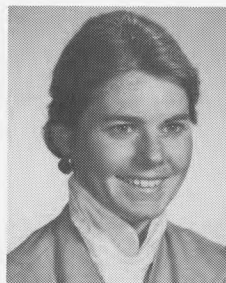
Mr. Dahl joined Banco in 1959 as an auditor in the commercial loan department of Northwestern National Bank of Minneapolis. He was vice president in charge of the credit department at Banco from 1973 to 1977. He later served as senior vice president, commercial loans, at Northwestern National Bank of Omaha. He had been with the Billings bank since 1978.

* * *

At First Bank Minneapolis **James S. Doak** has joined as a vice president and senior equity officer in the asset management department, and **Sally Webber-Centner** has joined the bank as a commercial banking officer in the manufacturers division of the midwest banking I department.



J.S. DOAK



S. CENTNER

Mr. Doak, who is head of the equity research division with responsibility for management of the pooled equity funds, started his investment career as a municipal bond trader for Kidder Peabody, Inc., Philadelphia, in 1967.

Ms. Centner previously was a corporate banking officer with Union Trust Company of Maryland.

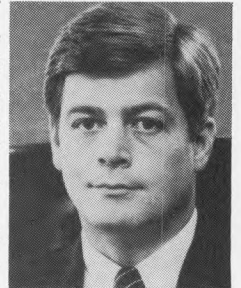
* * *

Gambles Continental State Bank, St. Paul, (now Metropolitan Bank St. Paul) recently received approval from Commissioner of Banks **Michael J. Pint** to relocate two blocks

from 441 Wabasha Street to the Town Square Building at the intersection of Sixth and Cedar Streets. The new location will have street and skyway access.

* * *

Mark Sheffert has been elected president of First System Agencies, Inc., the insurance services subsidiary of First Bank System, Inc. Mr. Sheffert succeeds **Lee R. Mielke**, who was recently elected president and managing officer of First Bank Brainerd.



M. SHEFFERT

Mr. Sheffert began his insurance career in 1968, at which time he joined Prudential Life Insurance Company in their Minneapolis agency. He was appointed assistant agency manager in 1969 and between 1973 and 1976 served as agency manager in Detroit and St. Paul.

In 1977, Mr. Sheffert joined The North Central Companies, Inc., St. Paul, as a senior vice president. He was elected executive vice president and chief marketing officer in 1979, and to his current position as senior executive vice president and chief operating officer in 1980.

* * *


Lawrence R. Commers, partner of MacIntosh and Commers, P.A., has been appointed to the advisory committee of the North Washington Branch of First Bank Minneapolis, and **Judith L. Koch**, president of "A-Plus" Demonstrations, has been appointed to the advisory committee of the St. Anthony Falls Branch.

* * *

Commissioner of Banks **Michael J. Pint** has announced his approval of the merger between Citizens State Bank of St. Louis Park and Guaranty State Bank of Robbinsdale.

In approving the application, the Commissioner noted that Citizens State Bank was chartered in 1949 and had assets of \$44,300,000 and two offices as of June 30. Guaranty State Bank was chartered in 1964 and had assets of \$23,455,000 as of June 30.

Citizens State Bank will be the



“NO BANKER CAN FLY BY THE SEAT OF HIS PANTS ANYMORE.”

Pipestone, Minnesota, is a town of five thousand where the natives wave & smile & say howdy to perfect & imperfect strangers. The first time it happens you check to see who's behind you. In an age when friendliness has become a diminishing national resource, Pipestone stands out as a mini-motherlode of amicability. An amiable attitude toward others certainly animates the First National Bank of Pipestone, founded in 1889. Its president is Bob Morgan, 44, who laughs easily & well and who looks much younger than his years. He and his brother Steve own the bank, which has assets of \$52 million and a customer base of 4000. Morgan thinks a doubling of his bank's assets in 10 years is not an unreasonable expectation. But this is possible, he says, only if the bank keeps tabs on assets and liabilities. Early this year Morgan called Northwestern National Bank of Minneapolis to ask if it had a service to facilitate this. The answer was yes. The service was called CBM—Community Bank Model. Recently Morgan spoke of his town, his bank and CBM.

Ours is a community bank. It's successful. As is the town. It has a work force of 5700 and an unemployment rate of 4.7%.

We want to keep both bank & town humming.

This is where this service from Northwestern of Minneapolis comes in. The Community Bank Model gives us an exact fix every month on our assets & liabilities. It tells us how our loans are doing. Tells us how our portfolio is doing. Tells us where we are in relation to the month's goals.

It tells us how good our margin is in relation to other community banks. It allows us to project. It allows us to look back.

And because it's a computerized service,

it allows us to ask questions. What if we did this? How would it affect our margin for the year, for five years?

CBM figures in all variables. It's a tool. We avoid trouble. We seize opportunities.

Even the incidental effects are good. We've been successful because we're efficient. We have a staff of only 21. This service from Northwestern National allows us to be even more efficient. Every officer knows every month precisely where we are.

Between us, too many community banks don't know for sure where they stand until their tax men tell them. This is wrong. No banker can fly by the seat of his pants anymore. Interest rates are too volatile.

Could I duplicate the Community Bank Model on my own? Sure. Only it would cost me five times what it's costing now.

We went to Northwestern National of Minneapolis once we decided we needed something like CBM because it's been a correspondent bank of ours for 60 years. We know them. We like them. We trust them.

Heck, they've helped keep us independent.

CALL SCOTT ULBRICH (612) 372-5967
CORRESPONDENT BANKING DEPARTMENT

**NORTHWESTERN
NATIONAL BANK**
Of Minneapolis

SHOULDN'T WE TALK SOMETIME?

Changing economic conditions require the ability to anticipate change, instead of reacting to it

First Bank Saint Paul's financial model helps you forecast current and future trends for effective bank management.

In today's competitive market place, high performance depends on effective management of both assets and liabilities.

At First Bank Saint Paul we have a tool to make this job easier.

It is a financial model that allows you to forecast changing profit levels under varying circumstances. In other words, what will happen to net income if interest rates go up or down? How will a change in the mix of assets and liabilities affect

income? Our model not only forecasts a complete balance sheet and income statement, but also provides a detailed summary of rate sensitivity and gap. It is a planning tool that helps you prepare for changing conditions.

To find out how our financial model can help you manage your bank, call our Investment Services Group at (612) 291-5659.



First Bank Saint Paul

Member First Bank System

Investment Services Group
332 Minnesota Street
Saint Paul, Minnesota 55101

(Left to right) Investment Services Bankers, Bob Peroutka and Dick Swanberg of First Bank Saint Paul, discuss output of the Asset Liability management model with Eastern Heights State Bank President, Bob Hubbell and Vice President Jim Schmitz.

EASTERN HEIGHTS STATE BANK

successor bank and the main office will remain at 5050 Excelsior Boulevard in St. Louis Park. It will operate two full-service branches, one at 3700 West Broadway (the site of the main office of Guaranty State Bank of Robbinsdale), and the other at 4201 Minnetonka Boulevard, St. Louis Park.

The board of directors for the merged institutions will include **Constance L. Bakken, Roger L. Hauge, Marion Brummer, and Bernhard Loewen.** The bank's chief executive officer will be President **Roger L. Hauge.**

* * *

First Bank System, Inc., has announced that the annual interest rate on its VISA and MasterCard has been reduced from 22% to 19.8% (1.65% per month), effective on customers' September, 1982, statement dates. The new rate, which will be reflected on October statements, will apply to existing balances as well as to future charges.

* * *

Gayle M. Fiddle has been appointed financial audit officer in the audit division of First Bank System, Inc. Mr. Fiddle had been serving as senior financial auditor at The St. Paul Fire and Marine Insurance Company.

St. Cloud National Obtains Student Loan Funds

In response to rapidly growing student loan demand, the St. Cloud National Bank and Trust Co. of St. Cloud recently obtained additional funds for student loan financing by selling existing student loans from its portfolio to the Student Loan Marketing Association (Sallie Mae) of Washington, D.C.

The Guaranteed Student Loan Program is the nation's largest single source of student credit for educational financing. Under the GSLP, undergraduate students can borrow up to a maximum of \$2,500 a year, and graduate students can borrow up to a maximum of \$5,000 a year at an annual rate of 9 percent interest. Students are required to begin repaying the loans on a monthly basis after they graduate from or leave school.

"St. Cloud National Bank and

Trust Co. has been a strong supporter of the GSLP in the St. Cloud community since 1962," said Karen Lunderby, installment loan officer of the bank. "We have decided to sell loans from our portfolio to Sallie Mae in order to assure that funding will continue to be available for providing this vital form of educational credit to area students."

Sallie Mae is a government-chartered, stockholder-owned corporation granted board statutory authority by Congress to provide a national secondary market for guaranteed student loans to assist the credit needs of students generally.

St. Cloud Promotions Told

Several promotions have been announced at the First American National Bank of St. Cloud, according to A.D. Didier, president.

In the commercial loans department, John Herges has been named vice president and manager, Mike Cleland has been named vice president, Jim Langer, assistant vice president, and Jebb Willis, commercial loan officer.

Tom Rusin joined the bank October 1 as assistant vice president in commercial loans and Gene Holtmeyer has joined as SBA loan specialist.

Mr. Herges joined the bank in 1973 and takes the place of Warren Williams who recently accepted another position. Mr. Cleland, a graduate of Mankato State University, coordinates the bank's leasing and SBA loan programs. Mr. Langer graduated with a degree in economics from South Dakota State University.

Mr. Willis graduated with a degree in finance from St. Cloud State

University. Mr. Rusin most recently completed his MA in economics, financial management and international finance at the University of Colorado. Mr. Holtmeyer has 20 years experience working for the Small Business Administration.

Two Promoted in Slayton

Palmer Hoffland, president of the Northwestern Bank of Slayton, has announced the promotion of F.V. "Pinky" Fitzpatrick to vice president and Jan Williams to cashier.



F.V. FITZPATRICK J. WILLIAMS

These changes are in preparation for the retirement of Mr. Fitzpatrick in March, 1983.

Mr. Fitzpatrick joined the bank in 1948 and has been serving as cashier since 1963. Ms. Williams most recently was named marketing officer in 1978.

Security Pacific Buys Postal Financial Corp.

Security Pacific Corporation, Los Angeles, recently was granted approval by the Federal Reserve Board of Governors to acquire Postal Financial Corporation of Sioux City, Ia. Postal engages through various subsidiaries in consumer lending, industrial banking, and acting as agent for the sale of credit life, accident and health, and property and casualty insurance.

Independent Bankers Elect Officers

A FINE team of new officers were elected at the annual convention of the Independent Bankers of Minnesota August 19-22 at Arrowwood in Alexandria.

Lowell Wakefield, president of First National Bank of Wayzata, was elected president, succeeding Peter A. Carlson, chairman and president of Argyle State Bank.

Succeeding Mr. Wakefield as first vice president is Larry Lindeberg, president of the Forest Lake State Bank. Mr. Lindeberg chaired the In-

dependent Banker's bank study committee this past year.

Filling the second vice presidency spot will be Jim Clark, president of the Lake Crystal National Bank. In view of the fast moving scene at the Washington level, the executive council moved to reappoint Tom Grinnel as treasurer and Norbert A. McCrady as executive vice president. Mr. Grinnel took the post of treasurer a year ago. Mr. McCrady has been executive officer going on seven years.

1982 Midwest Banking Institute Highlights/Graduates

NEARLY 200 bankers sharpened their agricultural banking skills at the 16th annual Midwest Banking Institute held at the University of Minnesota, Morris, from July 25-30.

Jointly sponsored by the Minnesota, Montana, North Dakota, South Dakota, and Wisconsin Bankers Associations, the Institute is an intensive program covering current farm management practices and key agricultural issues, said Wayne F. Berthiaume, institute administrator and administrative vice president of the Minnesota Bankers Association.

"Farming today is a high-technology business," said Mr. Berthiaume. "Bankers' continued support of the Institute shows their commitment to understanding changes in agriculture and to maintaining their partner relationship with the farming industry."

Highlights of the week-long program included presentations by Iowa State University ag-econo-

mist, Mike Boehlje, on "survival tips" for farmers; Purdue University ag-economist, Otto Doering, on the hidden costs of grain production; University of Minnesota ag-economist, Edward Schuh, on how the value of the U.S. dollar affects farmer profitability, and a computer simulated credit analysis case study program.

Mr. Boehlje warned the bankers that 1982 was going to be the third straight year of low farm profits. He estimated a quarter of the Midwest farmers will operate at a loss for 1982 — primarily because of low grain prices. He also presented several "tips" bankers can suggest to farmers to get them through the next couple years.

Mr. Doering presented his most recent research on farmer and taxpayer grain production costs. His controversial findings suggest that expansion of U.S. grain trade is both counter productive and an improper use of tax dollars.

Mr. Schuh, head of the University of Minnesota Agriculture and Applied Economics Department, took that opposite position saying foreign grain trading makes farming far more profitable and benefits consumers both by lower food cost and a more favorable balance of payments outlook.

Moving from a macro to micro level of discussion, several ag-extension officers and bankers walked the students through a computer simulated loan process. Bankers were shown how to better analyze farm loan requests, using a software package developed by the University of Minnesota in conjunction with 19 Minnesota banks in an on-going three-year pilot project.

The Institute program includes two one-week sessions over a two year period. Bankers who completed the 1982 program received certificates of completion at a graduation ceremony July 30.

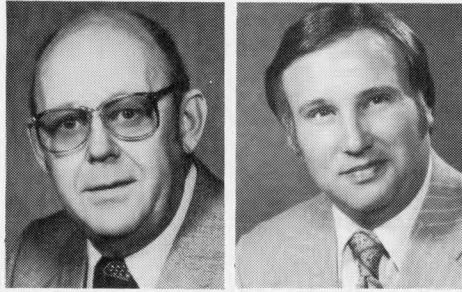


ROW 1 (bottom — left to right): From Minnesota, **Dean Bloemke**, First Natl., Waseca; **Tom Gross**, Citizens St. Bk., Waterville; **Tim Nelson**, Princeton St. Bk.; **Bernie Anderson**, State Bk. of New Richland; **Russell Blaschko**, Arlington St. Bk.; **Al Larson**, Northwestern St. Bk., Tracy; **Bruce Meyer**, First Natl., Fergus Falls; **Robert Ahles**, State Bkng. Dept., St. Paul; **Myron Erstad**, Northwestern Natl., Litchfield; **Les Trangsrud**, Greenbush St. Bk.; **Shirlene Zylstra**, First Natl., Pipestone; **Marlene Iverson**, Westbrook St. Bk.; **Gary Vanderwerf**, Windom St. Bk.; **David Radford**, Univ. of Minn., Cloquet. **Row 2:** **Jerry Julius**, First Natl., St. Peter; **Rich Peterson**, First Natl., Glencoe; **Barrett deCathelineau**, Pope County St. Bk., Villard; **Loren Beste**, First St. Bk., Sauk Centre; **Jon Bautain**, Morris St. Bk.; **Bob Zvanovec**, State Bk. of Belle Plain; **Jack Quitmeyer**, First Bank, Mpls.; **Richard Johnson**, FBS Financial, Mpls.; **Mark Dokken**, Calendonka St. Bk.; **Tom Lindquist**, Farmers & Merchants St. Bk., Paynesville; **Donn Haugen**, Farmers & Merchants St. Bk., Hinckley; **George Saska**, Univ. of Minn., St. Paul; **David Marchwick**, Security St. Bk., Lewistown. **Row 3:** **Arlene Michael**, Citizens St. Bk. of Milaca-Ogilvie, Milaca; **Michael Palmer**, Americana Bk., Danube; **Steve Lawrence**, Citizens St. Bk., Norwood; **Jim Espeland**, First Bk., Alexandria; **Roger Houselog**, Security St. Bk., Deer Creek; **Kevin Boynton**, Wright County St. Bk., Monticello; **Jim Linn**, Univ. of Minn., St. Paul; **Jim Biddle**, State Bk. of Vernon Center; **Don Melby**, American St. Bk., Erskine; **Mike Loken**, Tri-County St. Bk., Ortonville; **Bob Nelsen**, First Natl., Plainview; **Jane Kirkeby**, American Natl. Bk. & Tr. Co., St. Paul; **Jim Nichols**, First Natl., Mabel; **Logan Stamp**, Klein Natl., Madison; **Ken Olson**, Univ. of Minn., Little Falls. **Row 4:** **John Campbell**, Citizens St. Bk., Big Lake. From Montana, **Not Bidwell**, Powder River County Bk., Broadus; **Tom Atkins**, Montana Bk. of Circle; **Tim**

Alzheimer, First Security, Malta; **Clay Landry**, First Natl., Glendive. From North Dakota, **Jacalyn Hansen**, Federal Deposit Ins. Corp., Bismarck; **Mark Beaton**, First Natl., Fargo; **Dave Hardie**, First Natl., Wahpeton; **Jerry Rask**, First Northwestern Natl., Mandan; **Bill Klein**, North Dakota St. Univ., Ashley; **Doug Thompson**, Bk. of Steele, Medina; **George Wald**, First Natl. Bk. & Tr., Dickinson; **Dave Canton**, Federal Deposit Ins. Corp., West Fargo; **Tom Stennes**, Harwood St. Bk.; **Robert Lindseth**, Citizens St. Bk., Ray. **Row 5:** **Larry Eaton**, First Natl., Fessenden; **Rod Anheluk**, Bk. of North Dakota, Bismarck; **Jim Helgeson**, Farmers St. Bk., Minnewauken; **Darwin Engel**, First Natl., McClusky; **Robert Sorensen**, Scandia American Bk., Stanley; **Leslie Korgel**, Garrison St. Bk.; **Jerry Altenburg**, First St. Bk., Armour. From South Dakota, **John Rasmussen**, Roberts County Natl. Bk., Sisseton; **Jeff Eitrem**, First Natl., Sioux Falls; **Gerry Wenzel**, First St. Bk., Delmont; **Gene Holsing**, First St. Bk., Warner; **Dan Maher**, Farmers & Merchants Bk. & Tr., Morrilstown; **Ken Karels**, Dakota St. Bk., Milbank; **Ken Loken**, First Natl. Bk. of Aberdeen, Groton; **Colgan Huber**, First Natl. Bk. of Black Hills, Newell. **Row 6:** From Wisconsin, **Larry Comstock**, Jackson County Bk., Black River Falls; **Jim Faust**, Univ. of Wis., Menomonie; **Eldon Berg**, State Bk. of Arcadia; **Don Huebner**, Federal Deposit Ins. Corp., Madison; **Thomas Parslow**, Univ. of Wis., Mauston; **Joe Dillie**, Farmers St. Bk., Markesan; **Joe Ploessl**, Badger St. Bk., Cassville; **Thomas Friar**, Lancaster St. Bk.; **Dale Maki**, First Natl., Blanchardville; **Chuck Thiel**, The Commercial Bk., Chilton; **Keith Von Seggern**, First Wisconsin Natl., Milwaukee; **Daniel Schwantes**, Spencer St. Bk.; **Arden Alexander**, Bk. of Menomonie. Not pictured: **Jim Taylor**, Michigan Natl. Bk. of Detroit, Mich.

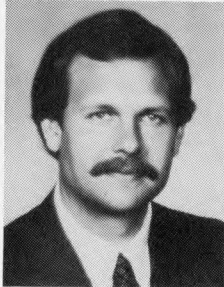
South Dakota

D.O. Mehlhaff, pres., Eureka
J. M. Schwartz, exec. mgr., Pierre



Named to Advisory Board

J. Tom Nelson III has been named as a director on the advisory board of directors at the advisory board of directors at South Branch, Sioux Falls, First Bank of South Dakota, N.A., according to Nels E. Turnquist, chairman and chief executive officer.



J.T. NELSON III

Mr. Nelson is the president and general manager of the Coca-Cola and 7-Up Bottling Companies.

N.W. National, Sioux Falls Elects Severson President

Allan M. Severson was recently elected president, chief executive officer and director of the Northwestern National Bank of Sioux Falls in action taken by the board of directors during a special meeting held the end of August.

Mr. Severson, currently serving as president and chief executive officer of the First National Bank of Aberdeen, fills the position vacated by C.P. "Buck" Moore, who recently was appointed region 6 president of the Northwest Bancorporation. Mr. Moore will remain as chairman at the bank in Sioux Falls. Mr. Severson will begin his new duties as president October 1.



A. SEVERSON

Having begun his career with Banco in 1959 at Moorhead, Minn., Mr. Severson served in various positions and became vice president for operations, agricultural and commercial lending. In 1965 he was elected president and chief executive of-

ficer at First National Bank, Graf-ton, N.D. He served as senior vice president at First National Bank of Fargo, N.D. from 1968-1971; president of Northwestern National Bank of Owatonna, Minn., from 1971-1976, and president at First National Bank of Aberdeen, S.D. from 1976 to present.

Three Officers Join Pierre BankWest Staff

Three new officers, Joe Zolnowsky, Charles H. Burke III and Larry Collamer, have joined BankWest in Pierre, according to Charles H. Burke, president.

Mr. Zolnowsky joined the bank's internal audit department after being graduated from the University of South Dakota with a degree in business.

Mr. Burke was elected a customer service officer of the Pierre Branch. He previously was with American State Bank in Yankton.

Mr. Collamer will serve as a programmer in the data processing department. He most recently served as a programmer/programmer analyst at Alton Bank and Trust Co., Alton, Ill.

Joins Mitchell Bank

Doug Morstad has joined the staff of First Mitchell National Bank as assistant vice president in the commercial loan department. Mr. Morstad has been employed the past five years by Western Bank & Trust, Marshall, Minn. Prior to that he was associated with banks in Sioux Falls and Carthage.

Mitchell President Elected

Boyd D. Hopkins, Jr., has been elected president and chief executive officer of Live Stock State Bank, Mitchell. He succeeds Boyd B. Hopkins, Sr., who has been elected chairman. He has served as president since 1961.

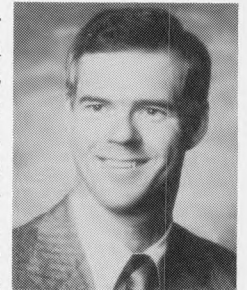
Mr. Hopkins, Jr., joined the bank in 1972 at the Artesian office and has been executive vice president since that time.

Five Named in Sioux Falls

At National Bank of South Dakota, Sioux Falls, five officers were advanced, according to Nels E. Turnquist, chairman and chief executive officer.

Terry Seierstad has been named assistant vice president; Carol Rysavy, trust operations officer, and Dennis Holzwarth, investment officer, all in the trust department. In Rapid City, Sandra Vollmer and Pat Burchill have been advanced to assistant vice president.

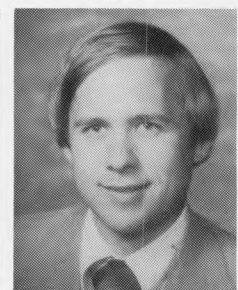
Mr. Seierstad began his career with the bank in 1980 as a trust investment officer. Ms. Rysavy started with the bank in 1969, serving most recently as trust administrative officer. Mr. Holzwarth has been with the bank since 1974, most recently as assistant trust investment officer.



T. SEIERSTAD

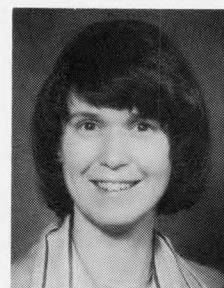


C. RYSAVY

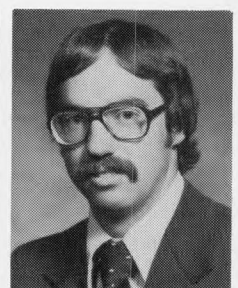


D. HOLZWARTH

Ms. Vollmer started in 1977 as a credit analyst and was elected a commercial lending officer in 1979. Mr. Burchill joined in 1977 as a management associate, was named credit analyst in 1979 and was elected a commercial loan officer in July of that year.



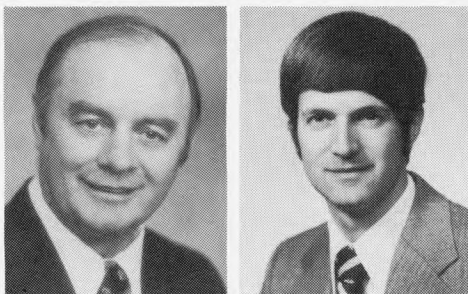
S. VOLLMER



P. BURCHILL

North Dakota

J.M. McGinley, pres., Williston
H. J. Argue, exec. dir., Bismarck



N.D. Bankers Elect Group Officers

THE North Dakota Bankers Association Group Meetings were being held while this magazine was going to press. Following are the candidates that were scheduled to be elected into group officer positions.

Northeast Group: President—M.I. Hoffman, executive vice president, First State Bank, Munich; Vice President—Jack Hanson, vice president, Northwestern State Bank, Hillsboro, and Secretary/Treasurer—Peter W. Nielsen, executive vice president and trust officer, First National Bank in Grand Forks.

Northwest Group: President—Richard A. Johnson, vice president, Citizens State Bank, Rugby; Vice President—Curtis Zimbelman, assistant cashier, First Western Bank, Minot, and Secretary/Treasurer—Jerry Melby, president, First Na-

tional Bank, Bowbells.

Southwest Group: President—Harvey Huber, president, Union State Bank, Hazen; Vice President—Joseph Zilkowski, president, First National Bank, Belfield, and Secretary/Treasurer—Ronald Keeley, vice president, State Bank of Burleigh County, Bismarck.

Southeast Group: President—Harley D. Jundt, president, First National Bank, Ellendale; Vice President—Wayne C. Leiner, executive vice president, Dakota Bank, Fargo, and Secretary/Treasurer—P.B. (Blaise) Johnson, vice president, First National Bank, Jamestown.

The new vice presidents elected to the Northeast, Northwest and Southwest Groups and the new secretary/treasurer elected in the Southeast Group will begin two-year terms on the NDBA Executive Council following the 1983 convention.

Mid-Year Figures Reported

A recent report from the Department of Banking and Financial Institutions in North Dakota showed figures for the 141 financial institutions in North Dakota as of June 30, 1981. This represents 136 state banks, four trust companies and The Bank of North Dakota. (all figures are in thousands of dollars)

Net loans for the combined group were \$1,883,280. Total deposits for the group were \$3,109,871. Total equity capital was \$318,102.

Applications Approved

The Federal Reserve Bank of Minneapolis has approved the following applications to become bank holding companies: Belfield Bancshares, Inc., Belfield, to acquire First National Bank of Belfield; Citizens Bank Holding Company, Finley, to acquire Citizens State Bank of Finley, and Security Bancshares, Inc.,

Dunseith, to acquire Security State Bank of Dunseith.

Federal Guideline Changes Cause Student Loan Delay

Students who have applied for education loans through the Bank of North Dakota student loan department, Bismarck, should not be discouraged if they have not received their loan monies, reported Jeannine Christy, vice president. Over 6,300 loan applications are being processed this year and delays in federal involvement in the program have caused delays in processing procedures.

She stated, "Before changes in federal guidelines and requirements, processing a loan used to take about four to six weeks. Because of the backlog we are now experiencing, the processing is taking about eight to ten weeks.

Ms. Christy was hopeful that the applications being processed in Sep-

tember would be completed by the end of October or near the beginning of November. Also she stated that next year's applications should be processed in three to five weeks.

ABA Launches National School of Retail Banking

Two 1983 sessions of the ABA National School of Retail Banking have been announced by the American Bankers Association. The new school is the successor to the ABA's National Instalment Credit School and will continue to emphasize consumer credit offerings — but with an expanded curriculum including courses on asset-liability management and deposit generation, among others.

Both sessions, February 6-18 and September 18-30, will be held at the Oklahoma Center for Continuing Education at the University of Oklahoma, Norman. The Oklahoma Center is an excellent educational facility equipped with the latest in audio-visual aids and other innovations.

The expanded retail banking curriculum includes the following courses, as well as a range of specific consumer credit and management topics:

- automobile and small equipment leasing
- cross-selling of consumer financial services
- electronic delivery systems
- introduction to microcomputers
- marketing strategies
- personal trust and agency services
- real estate finance: first and second mortgages
- retail banking's place in the bank's structure

The class sessions consist of lectures by outstanding bankers and educators, along with case studies which involve students in decision making. Small discussion groups give each student a chance to participate actively.

All ABA member bank officers and employees are eligible for admission to the new retail banking school, with non-member applicants accepted on a space available basis. The cost is \$1095 for ABA members, \$1350 for non-members for the two week session and includes room and board and all classroom materials. To register, call Vicky Esser Barr, registrar, (202) 467-4941.



NEWLY elected MBA officers are: Immed. Past Pres.—**Robert Reiquam**; MBA Exec. Vice Pres.—**John Cadby**; Pres.—**Erle Gross**; Vice Pres.—**Robert Sizemore**, and Treas.—**Chuck Pedersen**.

Erle Gross Elected Montana President

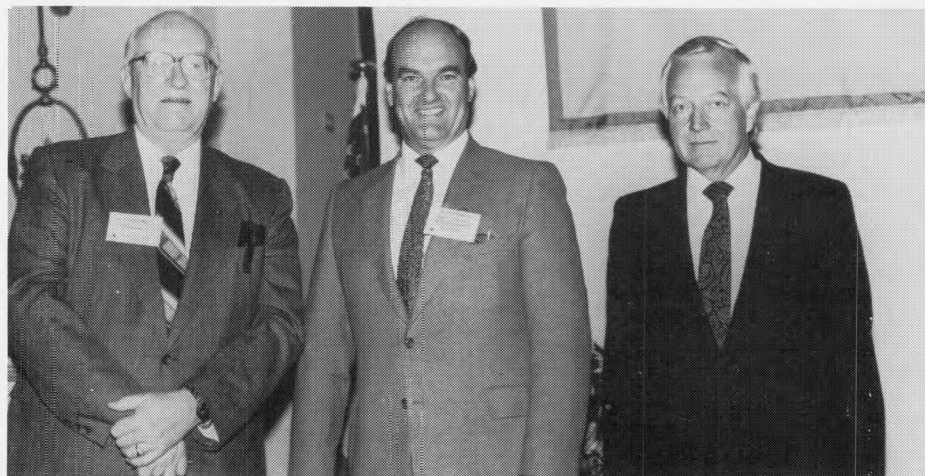
By **STEVE BURCH**
Associate Publisher

THE picturesque Canadian Rockies provided the backdrop for the 79th annual Montana Bankers Association Convention held August 24-27 in Banff, Canada. Highlighting the convention activities was the election of MBA officers for the 1982-83 year. Elected to the office of president was Erle Gross, president, Little Horn State Bank, Hardin. A native of Montana, Erle holds a degree in Agricultural Economics from Montana State University and has taken graduate banking courses at Colorado State and the University of Colorado. He was associated with the First National Bank of Miles City from 1960-1968 where he served as vice president and senior agriculture loan officer. He joined the Little Horn State Bank in Hardin in 1969 and was elected president of that bank in 1978. Erle is a past president of the Upper Midwest Ag Credit Council and served as MBA Group 7 president in 1977.

Others elected were Vice President—**Robert Sizemore**, president, Western Bank of Chinook; Treasurer—**Chuck Pedersen**, president, First Interstate Bank of Great Falls, and Immediate Past President—**Robert Reiquam**, president, First Bank Miles City. Elected to represent Montana on the ABA Council were **Don Olsson**, executive vice president, Roan State Bank, and **Robert Waller**, president, First

Bank Billings.

The economic and cultural similarities and differences between Alberta and Montana were reflected in the convention theme "Bridging Borders," and this topic was discussed by panelists A.F. "Chip" Collins, Alberta deputy provincial treasurer; Al McDonald, deputy minister, Alberta Department of Tourism and Small Business, and Don Peacock, public affairs manager, Bank of Montreal. The panel pointed out that both areas are rich in mineral wealth, geographically remote from their respective national bureaucracies and each relies on agriculture and livestock production as major elements in their economies. Their natural beauties draw many tourists to both areas each year and the departments of



CONVENTION speakers included this panel of Canadians: "**Chip**" Collins, Deputy Provincial Treas. of Alberta; **Al McDonald**, Deputy Minister, Dept. of Tourism & Small Business, and **Don Peacock**, Mgr. of Public Affairs, Bank of Montreal, Calgary.

tourism participate in joint promotions, shared data and cooperative programming. The 1988 Winter Olympics will be hosted by Calgary with a projected revenue of \$450-\$500 billion being generated by the games. It is anticipated that many of the people visiting the Olympics will also schedule travel into Montana.

The most dramatic philosophical difference between the Canadians and MBA members relates to the administration of trust funds common to both governments. Montana has the Coal Tax Trust Fund and the northern counterpart is the Heritage Fund. Both funds are designated for future generations and each enjoys a sizeable surplus. Heritage Fund monies are, on occasion, used to make below market rate loans to small business ventures unable to obtain conventional financing. The Montana Bankers Association disagrees with this practice and opposes a similar proposal in Montana known as Initiative 95.

Danny Wall, staff director of the Senate Committee on Banking, Housing and Urban Affairs, gave the convention a progress report on the Senator Garn sponsored banking bill, S. 1720. The bankers were informed that the bill in its present form does not contain many favorable provisions for the commercial banking industry. In fact, Mr. Wall suggested that "damage control" type tactics would have to be employed when the bill goes on the floor to "shore it up" from further attack by industries penetrating the financial services field. He did not

hesitate in charging the bankers at large with not becoming more directly involved in the legislative process while Senator Garn was drafting the original legislation. The success of others, such as the securities industry, in dealing with the bill was credited to their personal grassroots lobbying efforts. He also credited the ABA with having one of the most well organized professional lobby organizations in Washington. However, in his close, he echoed Senator Garn's charge to the ABA to quit its "Hatfield and McCoy sibling rivalry" with the thrift industry and concentrate on the real threat being offered by the "new kids on the block."

ABA Immediate Past President Lee Gunderson, president, Bank of Osceola, Osceola, Wis., followed by expressing his personal disappointment in the banking bill. He challenged that without the expanded real estate and insurance services, broker investment powers and competitive instrument provisions of

the original bill, commercial bankers will continue to be denied the opportunity to compete in offering customers complete financial services. Mr. Gunderson also told the bankers that the general public's confidence in the banking system can often be a very fine line. He feels that it would be a good practice for bankers to emphasize the security of bank deposits and to explain to customers the protection offered by FDIC. He added that unfounded generalizations of circumstances leading to a Penn Square type of situation can filter down and affect banking at all levels.

Gary Stern, senior vice president, Federal Reserve Bank of Minneapolis, presented the MBA with his interpretation of the effect of the Fed's public policy. Referring to October, 1979, as the date of policy change, he feels that new Fed policy has resulted in better control over the money supply during crucial periods, more volatile interest rates and has been a contributing factor in the slow down of inflation. He cited the

lowering of interest rates, reduced inflation and the recently passed tax bill as positive indications of policy success. However, in relation to overall recessionary trends, Mr. Stern cautioned against misplaced optimism and offered statistics on housing starts, unemployment and manufacturing capacity to support his view.

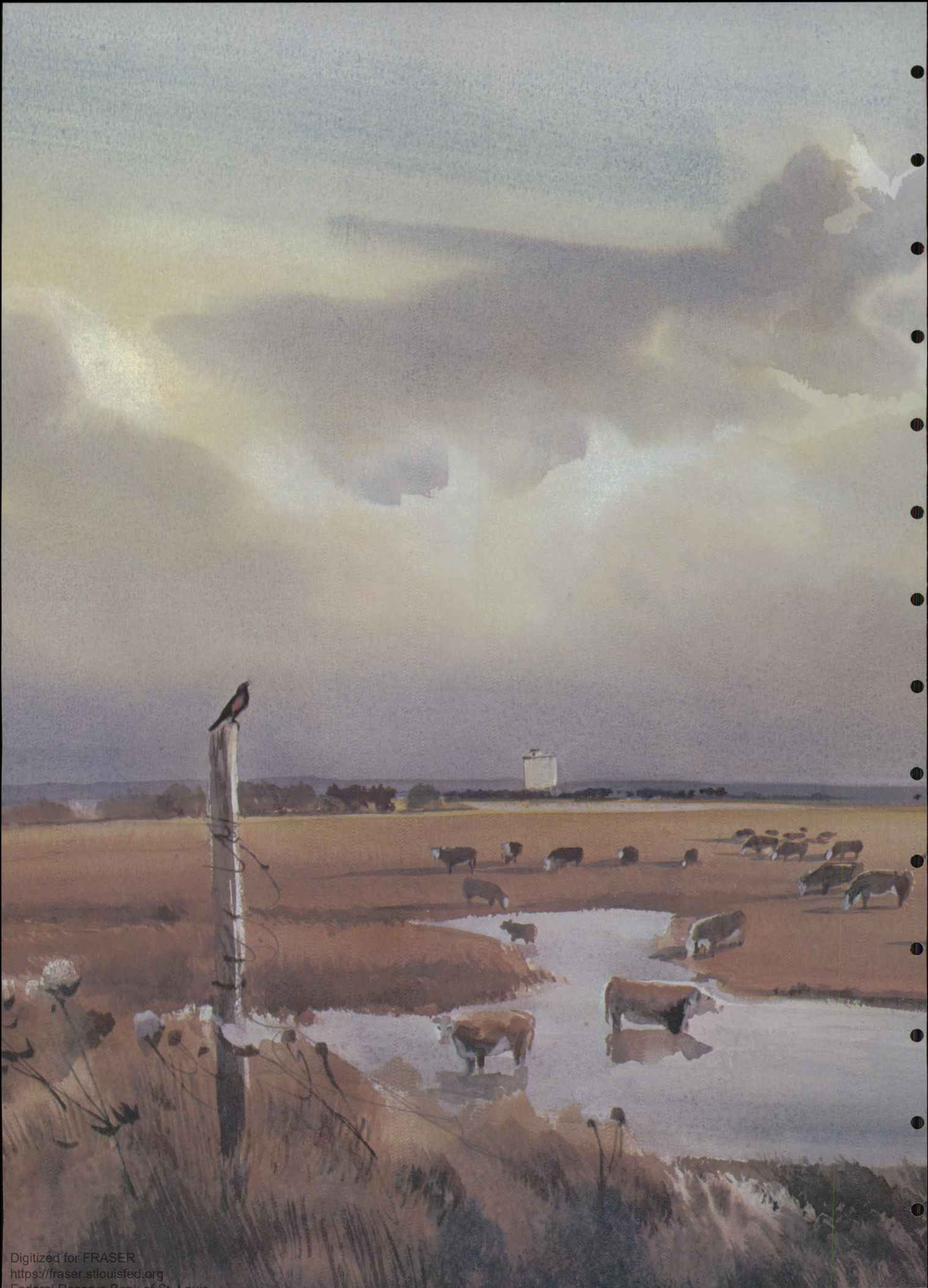
During the membership meeting the MBA, by unanimous vote, passed a resolution endorsing the Federal Balanced Budget Amendment S.J.R. 58. They also approved a resolution calling for the repeal of the recently passed Tax Bill H.R. 4961, which includes a withholding-at-source tax provision on interest income savings. A third resolution voices MBA opposition to Initiative 95, which the association members feel would establish the base for a state-owned bank by providing below market rate loans to small business ventures in Montana using the surplus monies from the Coal Tax Trust Fund. □

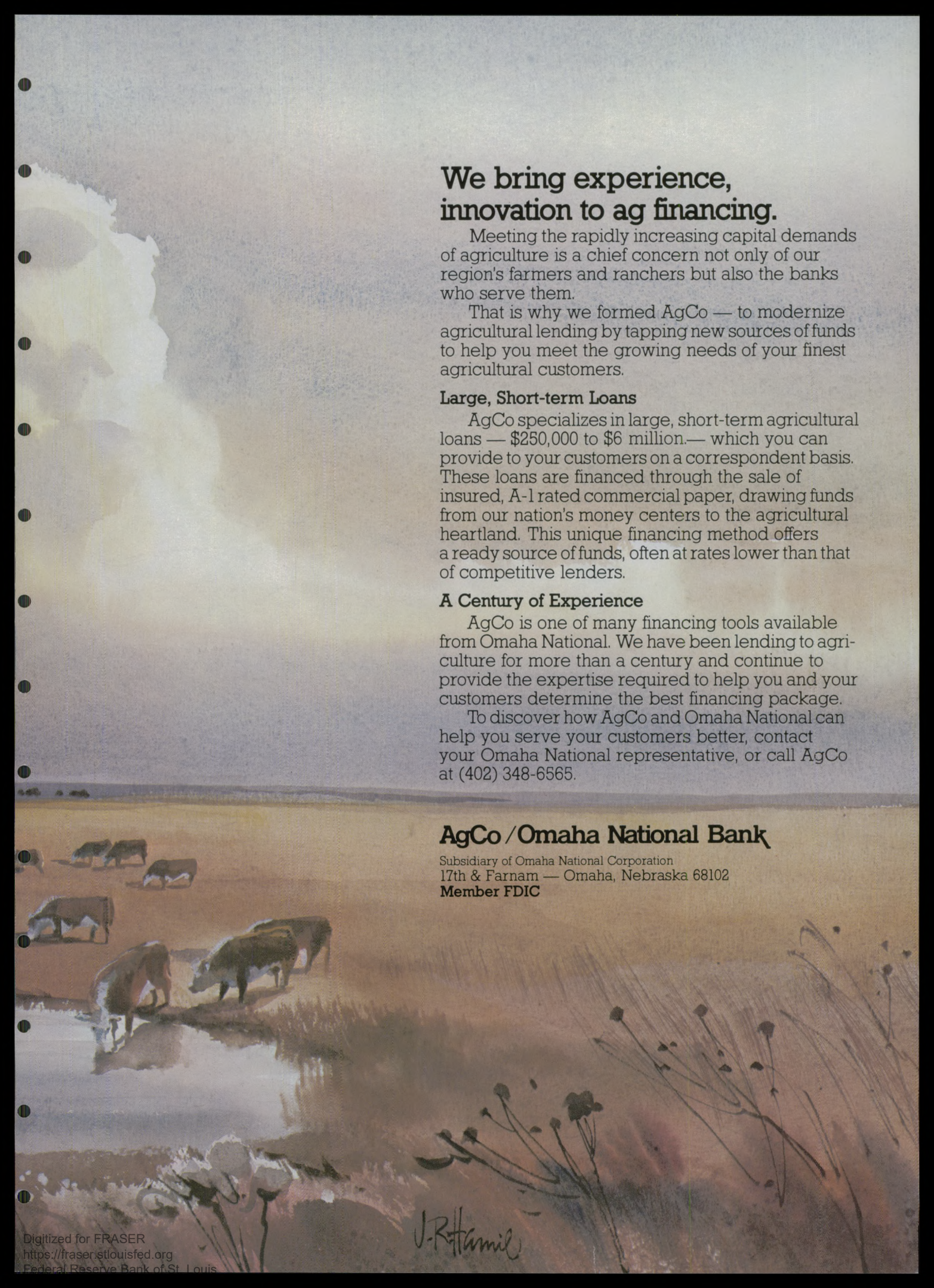


ENJOYING the Security Bank of Billings Bar-B-Que are: LEFT—Pennie and Gene Coombs, v.p., Security Bk., Billings, with Sandy Erickson, daughter of Claude Erickson, chmn., 1st Security Bk., Livingston, and Bernie. RIGHT—Linda and Jim Laird, sr. v.p., United Natl. Bk., Sioux Falls; Byron Kluth, pres., 1st St. Bk., Shelby, and his wife Rose, with Sarah and Dick Kjoss, pres., Security Bk., Billings.



Bob Reiquam, pres., 1st Bk., Miles City; Jim Beaton, pres., Western St. Bk., Billings; Bob Dressel, sr. v.p., United Bk., Denver, and Bill Tait, pres., 1st Natl. Bk., Anaconda & Butte. RIGHT—Bob Sipple, sr. v.p., American Natl. Bk. & Tr., St. Paul, and his wife Brownie visit with Joan and Bruce Miller, pres., 1st Citizens Bk., Butte, and Lorie and Bob Jacobson, v.p., American Natl. Bk. & Tr., St. Paul.





We bring experience, innovation to ag financing.

Meeting the rapidly increasing capital demands of agriculture is a chief concern not only of our region's farmers and ranchers but also the banks who serve them.

That is why we formed AgCo — to modernize agricultural lending by tapping new sources of funds to help you meet the growing needs of your finest agricultural customers.

Large, Short-term Loans

AgCo specializes in large, short-term agricultural loans — \$250,000 to \$6 million.— which you can provide to your customers on a correspondent basis. These loans are financed through the sale of insured, A-1 rated commercial paper, drawing funds from our nation's money centers to the agricultural heartland. This unique financing method offers a ready source of funds, often at rates lower than that of competitive lenders.

A Century of Experience

AgCo is one of many financing tools available from Omaha National. We have been lending to agriculture for more than a century and continue to provide the expertise required to help you and your customers determine the best financing package.

To discover how AgCo and Omaha National can help you serve your customers better, contact your Omaha National representative, or call AgCo at (402) 348-6565.

AgCo / Omaha National Bank

Subsidiary of Omaha National Corporation
17th & Farnam — Omaha, Nebraska 68102
Member FDIC

More Convention Photos



LEFT—Joyce and Phil Sandquist, pres., 1st Security Bk., Bozeman, with Beth and Bob Dressel, sr. v.p., United Bk., Denver. **RIGHT**—Pat McGarraugh, exec. v.p., NW Natl. Bk., Gt. Falls, and his wife Joanne visit with Debbie and Harry Devereaux, v.p., 1st Natl. Bk., Denver.



LEFT—Steve Olson, pres., 1st NW Natl. Bk., Kalispell, and his wife Elaine join Joan and Don Pederson, sr. v.p., NW Natl. Bk., Mpls. **RIGHT**—Edna and Steve McSweeney, pres., 1st Bk., Ft. Benton, with Nancy and Lenny Kiskis, corr. bkg. off., 1st Bk., Mpls.



LEFT—Jerry Woods, exec. v.p., Security Bk., Billings; Bob Sipple, sr. v.p., American Natl. Bk. & Tr., St. Paul; Chuck Pedersen, pres., 1st Interstate Bk., Gt. Falls, and Rod Smith, pres., U.S. Natl. Bk., Red Lodge. **RIGHT**—Dick Carey, corr. bkg. off., 1st Bk., St. Paul and his wife Jean with Peggy and David Anderson, pres., Village Bk., Gt. Falls.



LEFT—Carol Addington; Marjorie Tucker, pres., Security St. Bk., Plentywood; Keith and Velma McDonald, p.r. off., Security St. Bk., Plentywood, and Bill Addington, v.p., F & M Marquette Natl. Bk., Mpls. **RIGHT**—Harry Lattin, pres., 1st Interstate Bk., Kalispell; Randy Jacobs, pres., Mont. Bk. of Billings; Les Alke, Comm. of Financial Institutions, Helena, and Stan Klimas, pres., Valier Bk. of Mont.

Elected in Great Falls

James D. Hopkins has been named president of Central Bank of Montana, Great Falls. He joins Central Bank from United National Bank for South Dakota, Sioux Falls, where he was vice president and regional manager for its Rapid City area branches.

Mr. Hopkins began his banking career in 1964 at the National Bank of the North East in North East, Penn. In 1970 he moved to the First National Bank of Mobile, Ala., where he began as assistant branch manager and was ultimately promoted to assistant vice president and branch manager. He joined the United National in Sioux Falls in 1978.

Elected President of Computer Corporation

James A. Nyman, former vice president of the Computer Corporation of Montana, Great Falls, has been elected president of the corporation, and Dennis Sugden has been named vice president. He had been serving as systems officer.

Mr. Nyman joined the corporation in 1967 as a computer operator and was named vice president in 1970.

Mr. Sugden transferred to computer corporation in 1975 from First Security Bank in Glasgow.

Elected to Board in Billings

William A. Thompson has been elected to the board of First Northwestern Bank of Billings. He is vice president and general manager of the Billings Region of Burlington Northern.

Acquisition Approved

The application by Glendive Bancorporation, Inc., to acquire Fidelity Bank, Glendive, was recently approved by the Federal Reserve Board.

Big Sandy Election Told

Stanly H. Klimas has been elected president and director of Northern Bank of Montana, Big Sandy.

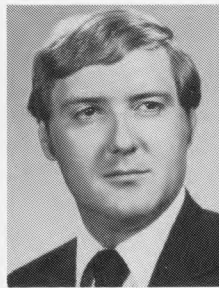
Mr. Klimas began his banking career as a management trainee at Central Bank of Montana in Great Falls in 1971. In 1974 he moved to Valier Bank of Montana as vice president and manager and was elected president and director in 1976.

Two Appointed in Billings

First Bank Billings has announced the appointment of Suzanne Redinger as real estate loan officer and Ken Kaiser as consumer finance officer.



S. REDINGER



K. KAISER

Ms. Redinger began her career with First Bank Billings in 1976 and was promoted in 1980 to her most recent position as real estate loan representative.

Mr. Kaiser joined the bank in 1978 and was promoted to unit manager in the bank's consumer finance department later that year.

Two Named in Missoula

Joseph J. Friend has been elected acting president of Missoula Bank of Montana, and Ed Campbell was elected vice president and chief credit officer. Mr. Friend replaces Ronald F. Bloomquist, who recently resigned after serving as president since 1974.

Mr. Friend began his banking career in 1961 with Rock County Bank at Luverne, Minn. In 1965 he joined International State Bank, International Falls, Minn., as vice president and served in that capacity until 1970 when he became executive vice president and managing officer of the United National Bank in Libby. In 1971, he was elected vice president of Western Bank & Trust Co. of Marshall, Minn., and moved up to vice president and senior loan officer in 1976. Mr. Friend joined Midstate Bank of Montana, a Bank of Montana System affiliate at Lewistown, as president in 1978, where he served until his election as vice president and senior credit officer of Bank of Montana System, headquartered in Great Falls. He will continue to hold that position as well as the Missoula Bank management.

Mr. Campbell joins Missoula Bank of Montana from Seattle First National Bank in Seattle, Washington, where he was for nine years, most recently in the correspondent banking division.

Plans for 20-Story Security Bank Building Announced

Plans to construct a major office building in downtown Billings, with Security Bank as principal occupant, were jointly announced at a news conference at Security Bank by Robert Dahlin, president of Opus, Tom Scott of Security Bank and Joel Long of United Industry.

An agreement in principle has been reached to build a 20-story office tower, projected to range in size from 200,000 to 250,000 square feet of floor space and cost an estimated \$20 to \$25 million.

In conjunction with the development, plans are being discussed with city officials for construction of a city-financed parking ramp on United Industry property across the street. Presently on the site of the future office tower is the Security drive-in and several bank-owned single story commercial buildings.

The bank plans to occupy the first nine floors, with total space of 90,000 square feet, and the remainder of the building is to be leased to business and professional tenants.

The new building is to be owned in a joint venture by Security and Opus, with United Industry participating in the development of the ramp. Mr. Dahlin said the project is being reviewed with the city and that the development is contingent upon approval of the city parking ramp. Plans call for breaking ground by year-end and completing the building in the summer of 1984.

The independent Security Bank currently is located at 3rd Avenue North and North 29th Street. No plans were announced for use of the existing building upon completion of the new tower.

President Elected at Valier

Alan L. Pearson has been elected president of Valier Bank of Montana, Valier. The announcement was made by Samuel R. Noel, executive vice president of Bank of Montana System.

Mr. Pearson entered the banking industry in 1975 as a management trainee at Citizens Bank of Montana in Havre. Later that year, he was elected assistant cashier and served in that capacity until 1977 when he was promoted to assistant vice president. In 1980 he was elected vice president and agriculture department manager.

BMA Convention Looks at 'New Marketing'

WITH banks locked in an intensive competitive battle with nonbanks for financial services, the nation's top executives in bank marketing get a chance to compare notes and gauge the success of their strategies at the 67th annual convention of the Bank Marketing Association convening here Oct. 24-27 at the Phoenix Civic Plaza.

An estimated 2,000 bank executives and their spouses are expected for the four day conference whose theme is "Competing in the Financial Services Industry: Strategies and Tactics for the 'New Marketing.'"

Among speakers lined up for the convention are senior officers from four of the nation's largest banks: Barry F. Sullivan, chairman and CEO of the First National Bank of Chicago; J.J. Pinola, chairman and CEO of the First Interstate Corp., Los Angeles; Ben F. Love, chairman and CEO of Texas Commerce Bancshares, Houston, and Edward A. Jesser, Jr., chairman of United Jersey Bank/North and former chairman of United Jersey Bank, Hackensack, N.J.

Also on tap as speakers are representatives from leading nonbanks: Robert P. Rittereiser, executive vice president - strategic development of Merrill Lynch & Co., New York; William McCormick, executive vice president of American Express; Finn M.W. Casperman, chairman of Beneficial Corp., Wilmington, Del.; and Anthony M. Frank, chairman and president, First Nationwide Savings, San Francisco.

The banker group representing senior management will take part in a convention panel Wednesday, October 27, dealing with the "get tough" attitude of management in responding to nonbank competition.

Also joining that panel are two past presidents of the American Bankers Association: Lee E. Gunderson, immediate past ABA president and president of the Bank of Osceola, Wis., and C.C. Hope, Jr., 1979-80 ABA president and vice chairman of First Union National Bank, Charlotte, N.C.

Discussing the "New Marketing" on the opening day of the convention in a luncheon address will be Leonard L. Berry, professor of marketing at the College of Business

Administration, Texas A&M University, College Station.

Another convention speaker leading a session entitled "Marketing Warfare" will be Sig Front, senior vice president and director of marketing for the Sheraton Corp. In his presentation, Mr. Front will describe how banks should "analyze, attack and overpower" the competition.

The keynote speaker on Monday will be F.G. Rodgers, vice president of marketing, IBM Corp.

On the convention program is a series of workshops and seminars covering a range of topics important to bank marketers. Among them are sessions on relationship banking, corporate EFTS, nationwide ATM networks, financial counseling and understanding money market checking and Cash Management Accounts.

One additional feature during the convention will be a special symposium for community bank marketers and a session on marketing management issues. Taking part in the marketing management session will be Convention Chairman Michael P. Sullivan, vice president of corporate communications of First Union National Bank, Charlotte, N.C. joined by a group of columnists writing for the *American Banker* newspaper.

They include: Arthur C. Lucey, senior vice president, First National Bank of Denver; Norwood W. "Red" Pope, senior vice president-marketing, Sun Banks of Florida, Inc.; Paul A. Willax, president of Empire Savings Bank, and consultant Jack W. Whittle, chairman of Whittle, Motley & Hanks of Chicago. William Zimmerman, editor of *American Banker*, will be moderator.

With an eye to current world happenings, the economy and the off-year elections in November, a special convention event on Tuesday, October 26, will be a panel presentation by four NBC TV correspondents: Edwin Newman, Irving R. Levine, Don Oliver and moderator David Burrington.

A highlight of the convention will be an announcement on Wednesday, October 27, of the winners of the annual Golden Coin Competition honoring outstanding marketing and community affairs programs of banks during 1981-82. The winners

are selected by a panel of BMA judges. □

Farm Managers, Appraisers Select Executive Officers

T. Jan Wiseman of Shabbona, Ill., is the new executive vice president of the American Society of Farm Managers and Rural Appraisers, headquartered in Denver, Colo.

The agricultural organization has a membership of 3,200 professional farm/ranch managers, rural appraisers and agricultural consultants throughout the United States and Canada.

Mr. Wiseman, formerly staff vice president of the Farm and Land Institute of the National Association of Realtors in Chicago, has had more than 14 years of administrative, marketing and professional educational experience. He holds membership in a number of professional organizations, including the Journalism Education Association, DeKalb County Farm Bureau, the American Society of Association Executives, the Farm and Land Institute and the American Society for Training and Development.

RMA Plans Fall Convention

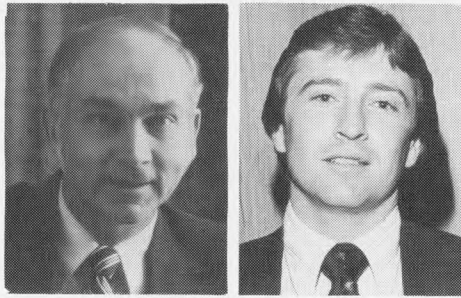
Robert Morris Associates will hold its 68th annual Fall Conference (convention) October 31-November 3 at the Sheraton Bal Harbour, Florida. RMA is expecting more than 2,000 bank commercial lending and credit officers and their spouses to attend the Conference. The program will examine closely their major problems and opportunities.

The keynote address will be delivered by Bennett A. Brown, chairman, Citizens and Southern Georgia Corporation and The Citizens and Southern National Bank, Atlanta. Major addresses also will be given by economist David M. Jones; RMA President Douglas W. Dodge, executive vice president, Mercantile-Safe Deposit and Trust Company, Baltimore; bank analyst Alex Sheshunoff; Atlanta's Federal Reserve Bank President Dr. William F. Ford; and communications consultant Dr. Lyman Steil.

A number of panels and concurrent sessions, featuring experienced bankers and other experts in commercial lending and areas related to commercial lending, also will be offered.

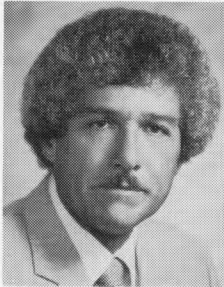
Colorado

A.R. Koenke, chmn. & pres., Rifle
D. A. Childears, exec. mgr., Denver



Appointed President At South Denver National

Garth G. Thomas has been appointed president and chief executive officer of South Denver National Bank, according to C.E. Snow, president and chief executive officer of South Denver Bankshares, Ltd.



G.G. THOMAS

For six years Mr. Thomas served as president of Boulevard Colorado National Bank, Denver, and in 1980 was designated president of Colorado Bank - Tech Center.

Denver Officer Named

Jacqueline Sneed Mangrum, assistant vice president of public affairs at Colorado National Bankshares, Inc., has been named president of the Denver Urban League.

Ms. Mangrum has been active in the Denver Urban League for three years and was vice chairman before being named president.

As a public affairs specialist, Ms. Mangrum joined Colorado National Bank in 1977.

United Banks to Buy Stock

The directors of United Banks of Colorado, Inc., Denver, a multi-bank holding company, have authorized the repurchase of up to 300,000 shares of the 9.2 million shares of the company's stock currently outstanding.

The purchase of the stock may be made from time to time over the next two years in the open market and in privately negotiated transactions.

N. Berne Hart, president and chairman, feels United Banks' stock is presently undervalued and, accor-

dingly, offers an excellent investment opportunity.

United Banks' stock traded at \$15¾ bid Tuesday, August 24, in the National Over-the-Counter market.

Sale of Two Denver Area Banks Announced

C.E. Snow, president and chief executive officer of three bank holding companies which own Cherry Creek National Bank, South Denver National Bank and The Bank of Westminster, has announced the proposed acquisition of Guaranty Bank and Trust Company, 17th and Stout Streets, Denver, and Jefferson Bank South, 1858 So. Wadsworth Boulevard, Lakewood.

The combined assets of both banks total nearly \$170 million. Their combined assets will total approximately \$325 million, making the affiliation one of the largest in the state.

The investors making the purchase include Mr. Snow and a group headed by Bill L. Walters, prominent Denver architect and developer. The acquisition is subject to bank regulatory approval, with closing expected in mid-1983.

First Natl. Bancorporation Elects Lee Vice Chairman

Directors of The First National Bancorporation, Inc., Denver, recently elected Robert E. Lee vice chairman of the board, according to Theodore D. Brown, chairman and chief executive officer. Mr. Lee is a member of the recently-formed office of the chairman, which is responsible for initiating policy recommendations and for implementing policy through the corporate structure.

Other members of the office of the chairman in addition to Mr. Brown and Mr. Lee are Albert D. Latham, president and chief operating officer of the Bancorporation, and John M.

Eggemeyer, who recently joined the company as executive vice president of finance and administration. Mr. Eggemeyer also has been confirmed as a member of the Bancorporation board.

In other action, the holding company board named Kyle McClaugherty, president and chief executive officer of The First National Bank of Bear Valley, and Bruce A. Schriefer, president of Foothills National Bank of Fort Collins, to the Bancorporation advisory board. The advisory board is made up of the top operating officer of each of the 15 Bancorporation banks and its three non-bank subsidiaries.

Acquisitions Approved

The Federal Reserve Board recently announced approval of the applications of U.S. Bancorp, Portland, Ore., to acquire Pueblo Beneficial Industrial Bank, Pueblo, Colorado Springs Beneficial Industrial Bank, Colorado Springs, and Trinidad Beneficial Industrial Bank, Trinidad, and for Colorado National Bankshares, Inc., Denver, to acquire The Exchange National Bank of Colorado Springs.

Boulder Executive Named

Charles F. Emmer has been elected executive vice president and director at Arapahoe National Bank in Boulder.

Mr. Emmer previously was with Greeley National Bank where he served as lending officer and manager of the commercial lending department.

Elected to Board in Denver

J. Thomas Reagan, president, chief operating officer and director of Energetics, Inc., a Denver oil and gas exploration firm, has been named to the board of directors of Dominion National Bank of Denver.

Two Appointed in Denver

United Bank of Denver has announced the appointments of Marvin L. Deselm and Michael Frost to assistant vice president.

Mr. Deselm has been part of the United Bank System since May, 1965, when he joined the United Bank of Denver.

Mr. Frost joined United Bank of Denver in February, 1981, and was named an operations officer in September, 1981.

Aurora Director Named

Herbert J. Henderson, president of Western Technology Corporation and independent management consultant for a number of Rocky Mountain high technology companies, has been elected to the board of directors of Colorado National Bank - Aurora.

Denver Officer Appointed

C. Gale Sellens, chairman of the board and chief executive officer of Denver National Bank, has announced the appointment of Dean M. Howell to bond investment officer.

Mr. Howell was most recently with Hanifen Imhoff, Inc., as vice president, bond marketing, and prior to that he was executive vice

president with Gerwin and Company, an investment banking firm.

Central Bancorp. Acquires Broomfield State Bank

George B. McKinley, president and chief executive officer of Central Bancorporation, Inc., and Marvin F. Owens, III, president of Broomfield State Bank, have announced that CBI has completed the acquisition of Broomfield Bank through the purchase of General Bancorporation, Inc., a one-bank holding company.

The name of the bank will be changed to Central Bank of Broomfield. No change in the management of the bank is anticipated.

CBI also recently received approval from the Board of Governors of the Federal Reserve System to acquire Chatfield Bank.

Aurora Directors Named

First National Bank of Aurora has elected to its board of directors Robert L. Mitton, Jr., First of Aurora loan department vice president and manager; Michael S. Morris, president of EFMOR and Company, and Larry Pisciotta, president of Pisciotta Firestone. The announcement was made by First of Aurora President Melvin E. Emeigh.

Elected to Tech Center Board

Charles H. Sanford has been elected to the board of directors of Colorado Bank-Tech Center, Denver.

Mr. Sanford is owner and president of Sanford Homes, Inc., a firm engaged in neighborhood development and residential construction in the Denver area.

Wyoming

H.A. Hitch, pres., Casper
M. C. Mundell, exec. dir., Laramie



New Name for Holding Company

Wyoming Bancorporation has changed its name, effective September 1, to First Wyoming Bancorporation. The new symbol on the American Stock Exchange will be FWO.

David R. Johnson, chairman, president and chief executive officer, said the new name allows closer identification with the company's First Wyoming Bank affiliates.

Merger Plans Announced

Bank of Laramie and First Wyoming Bancorporation have agreed in principle for Bank of Laramie to become an affiliate of Wybanco, headquartered in Cheyenne.

The announcement was made by J.A. Guthrie, Jr., chairman of Bank of Laramie, and David R. Johnson, chairman of Wybanco.

Mr. Johnson noted that the bank will continue to be operated by the same management, staff and directors as it has in the past. Mr. Guthrie will remain as chairman and Dick Van Pelt will continue as president and trust officer following the completion of the merger.

The terms of the agreement call for the purchase of the Bank of Laramie for a combination of cash and convertible subordinated debentures of Wybanco, and is subject to the execution of a final definitive agreement between the two companies and approval of the Board of Governors of the Federal Reserve.

V.P. Elected in Casper

Robert W. Miracle, president and chief executive officer of Wyoming National Bank, Casper, has announced the election of Richard Tempelman as vice president and manager of the instalment lending department. He replaces Tom Grove, who will be leaving to serve as president of the Wyoming Bank of Rawlins.

Mr. Tempelman joined the bank in June, 1982, as assistant vice president and manager of direct lending. He has had 20 years of total bank experience before joining Wyoming National, most recently with First National Bank of Dubuque, Iowa, where he was head of the instalment lending area.

Figures Released for Wyoming Banks

The Office of the State Examiner recently released its abstract report for the 61 state and 50 national banks in Wyoming for June 30, 1982. All dollar figures are listed in thousands.

Net loans for the combined 111

total banks in Wyoming were \$2,100,211, with a break down of \$751,185 as state and \$1,349,026 as national.

Total deposits for the combined group were \$3,322,621; state, \$1,211,253, and national, \$2,111,368.

The percent of loans for the combined group was 63.1%; for state, 62%, and for national, 63.9%. Percent of total equity capital to deposits for the combined group was 10.5%; for state, 11.1%, and for national, 10.1%.

Joins Wybanco as V.P.

Floyd H. Irlbeck has joined Wyoming Bancorporation, Cheyenne, as vice president-operations administration, announced David R. Johnson, chairman, president and chief executive officer.

Mr. Irlbeck will report to Ralph Owen, senior vice president, with responsibilities in operational accounting. Prior to joining Wybanco, he was with Omaha National Bank from 1971-1982, where his duties included controller's division, general services manager, check processing and funds analysis manager.

First of Denver
is now:

IntraWest Bank of Denver

First of Greeley
is now:

IntraWest Bank of Greeley

Routt County
National Bank
is now:

IntraWest Bank of Steamboat Springs

First of Northglenn
is now:

IntraWest Bank of Northglenn

First of
the Southwest
is now:

IntraWest Bank of Southwest Plaza

U.S. Bank
of Grand Junction
is now:

IntraWest Bank of Grand Junction

First of Montrose
is now:

IntraWest Bank of Montrose

Republic Bank
of Pueblo
is now:

IntraWest Bank of Pueblo

National State
Bank of Boulder
is now:

IntraWest Bank of Boulder

First of
Bear Valley
is now:

IntraWest Bank of Bear Valley

East Bank
of Colorado Springs
is now:

IntraWest Bank of Colorado Springs

Security State Bank
of Sterling
is now:

IntraWest Bank of Sterling

First of Southglenn
is now:

IntraWest Bank of Southglenn

First of Aurora
is now:

IntraWest Bank of Aurora

Coming Soon,
Early 1983

IntraWest Bank of Highlands Ranch

IntraWest
Banks



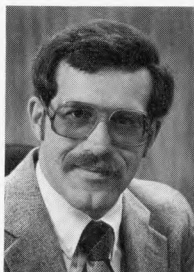
Putting our new mark on the '80s.

You see a bright new symbol of American growth... the new mark of IntraWest Banks.

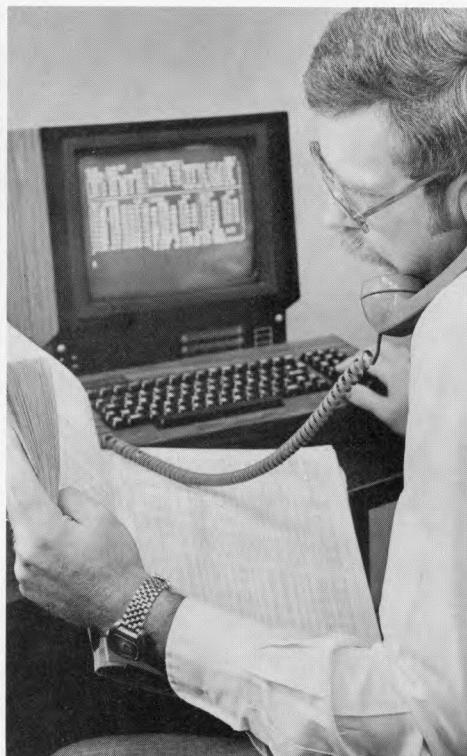
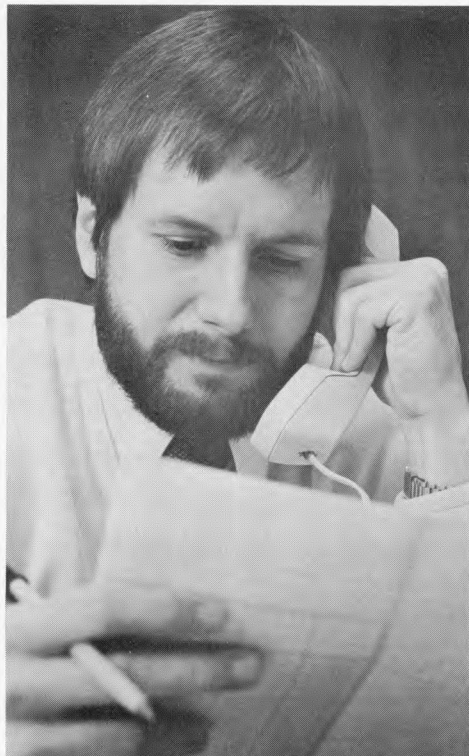
We've changed our names to reflect the strength of our affiliation of 14 IntraWest Banks all across the State. Our same Colorado-based ownership reaffirms its dedication to your financial growth and achievement. And the same skilled individuals at the bank, now under the IntraWest mark, will draw on even greater resources and vitality to help you with all your business and individual banking needs.

IntraWest Banks. We're changing for those who live for today—and for the future.

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for us to handle over
\$300 million in
investment
transactions
each day."
Bob Billmeyer
U.S. National/
Investment Division*



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Bordering States—1-800-228-9225

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536-2000

Regency Office
10010 Regency Circle
536-2400

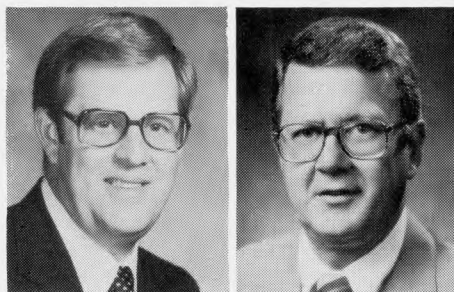
Central Park Plaza Office
One Central Park Plaza
536-2600

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Bancorporation

US NATIONAL BANK of Omaha

Nebraska

H.P. Stuckey, pres., Lexington
S. Matzke, Jr., exec. v.p., Lincoln



At NBA Ag Credit Conference

Ag Bankers Look at Microcomputers

By **BEN HALLER, JR.**
Editor and Publisher

AG BANKING is just as important as it was 30 and 40 years ago, but the overlay of operations technology, an inflation-fueled economy that frustrates farm owners and their bankers, and thousands of pages of government regulations of the past three decades, call for ag bankers today who must be constantly updated on each of these phases that affect their continuing basic relationship as a banker trying to be the financial partner of his farm customers.

It was this overlay of new conditions unknown to the ag banker of the 1940s and 50s that the Nebraska Bankers Association addressed in its Annual Ag Credit Conference last month in Lincoln. The importance of the topics discussed—Asset/Liability Management for Ag Banks in a Deregulated Environment, MABSCO Ag Credit Corporation, Microcomputer Applications for Ag Finance, Compliance Forum, Estate Planning for Farm Customers Under the New Tax Act—drew a crowd of 210 bankers and 95 spouses to the two-day conference.

The first afternoon began with a luncheon addressed by Tom Osborne, University of Nebraska-Lincoln football coach. Coach Osborne centered his remarks on the image of college football today, noting that violations of recruiting practices are a detriment to the game and are conducted by only about five percent of the schools. Two days later his Cornhuskers easily romped over the University of Iowa Hawkeyes, 42-7.

The first talk of the formal afternoon program was given by Mark Drabenstott of the Federal Reserve Bank of Kansas City. He was followed by Chet Randolph of Des Moines, Ia., a noted ag radio broadcaster, whose topic was the same as his radio program, "Market to Market." The afternoon was concluded by "Estate Planning for Ag Customers," a panel consisting of Jim Hewitt, moderator, and Doug Deitchler, both Lincoln attorneys; Jan Christensen, tax manager, Peat, Marwick, Mitchell in Lincoln, and Velda Roberts, trust officer, Jones National Bank and Trust Co., Seward.

Registrants and spouses attended a Round-Up Barbeque and reception before adjourning to the Nebraska State Fair evening concert.

Two prominent Nebraska feeders took part in a Friday morning panel, "What Producers Look for from Their Banker." They were Bryce Neidig, livestock feeder, Madison, who is president of the Nebraska Farm Bureau Federation, and Dwain Spatz, partner, S&A Feedlot, Plainview.

Moderator of the panel was Marlin Jackson, president of Security Bank in Paragould, Ark., and former chairman of the ABA Community Bankers Division. The discussion among the three men was very open and encouraged interesting questions from the floor to round out the panel discussion.

Dr. Sidney Hix, vice president and head of the economic asset/liability management department at Inter-First Bank, Dallas, Tex., discussed the "Asset/Liability Management" topic.

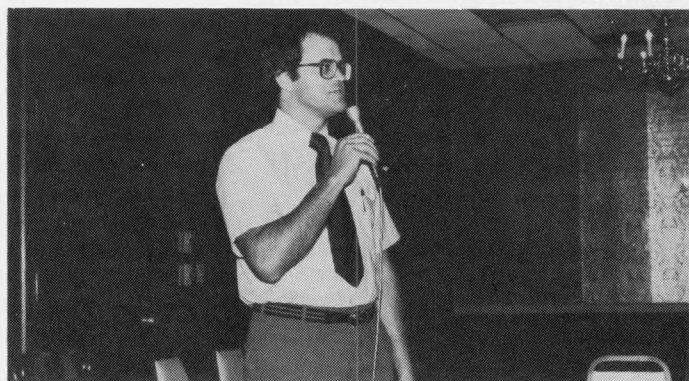
Bill Cook, president of Beatrice National Bank & Trust Company, gave a brief update on the new MABSCO Ag Credit Corporation (MASI) and its affiliation with Rabobank of Amsterdam. Mr. Cook's bank is one of several in the 13-state MABSCO area that is participating in a pilot program that commenced late last month.

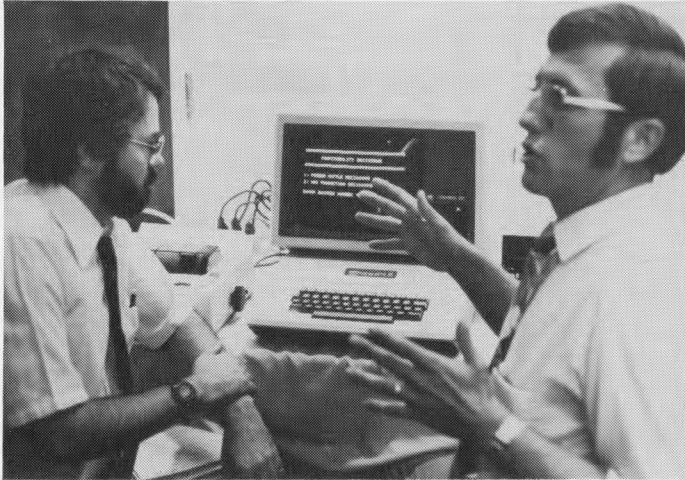
The most recent innovation in ag banking, the use of microcomputers, was given a thorough review by Neil Stadlman, vice president and ag rep for Sac City State Bank in Sac City, Ia., who has had extensive experience in the fast changing scene of microcomputers in banks and on farms.

Mr. Jackson also was the Friday luncheon speaker. After relating a few of his inimitable Arkansas stories, he spent the major share of his allotted time discussing the situation in which the banking industry finds itself today. He was especially pithy in his remarks about the role being played



LEFT—Ag panel speakers included two veteran Nebraska livestock producers. From left: NBA Ag Committeeman **Keith Redinbaugh**, exec. v.p., The Tilden Bank; **Dwain Spatz**, partner, S&A Feedlot, Plainview; **Bryce Neidig**, livestock feeder, Madison, and pres., Nebraska Farm Bureau, and Moderator **Marlin Jackson**, pres., Security Bank, Paragould, Ark. **RIGHT**—**Neil Stadlman**, v.p. & ag rep., Sac City State Bank, Sac City, Ia., who spoke on micro-computers for ag work.





A "hands on" demonstration of ag software computer programs was given following the Microcomputer Workshop. At left, **Don Brockmeier** (seated right), v.p. & cash., Farmers State, Eustis, who was one of three panelists, demonstrates a specific ag software program on an Apple II computer for a group of ag bankers. At right, **Max Callen** (facing camera), v.p., correspondent loan div., National Bank of Commerce, joins in small group discussion following his presentation at the same workshop.

by Secretary of the Treasury Donald Regan who, as the midwife to the birth of the Money Market Mutual Funds while he was chairman of Merrill Lynch, now sits on the DIDC as chairman and vetoes any efforts by banks to compete with his former associates.

"Microcomputer Applications for Ag Banks" was the topic for one of the three workshops presented twice Friday afternoon. Taking part in the microcomputer workshop were Don Brockmeier, vice president and cashier, Farmers State Bank, Eustis; Don

Clauson, executive vice president, Hershey State Bank, and Max Callen, vice president, National Bank of Commerce, Lincoln.

Mr. Clauson detailed the reasons for his bank installing a microcomputer, while Mr. Brockmeier reviewed the many innovative programs his bank has found to be of great help, and Mr. Callen reviewed briefly the program developed by NBC that can be formatted to microcomputers in small banks. After brief presentations by the three men, the full house of ag bankers broke into informal groups

for "hands on" demonstrations at three Apple II computers which were operational with working samples of several software programs now being used in the panelists' banks.

The second workshop was a "Compliance Forum" conducted by NBA General Counsel Bill Brandt to review the various current changes effective from state and national legislation and new regulatory changes.

The third workshop, covering any topic of interest to the participating bankers, was an Open Forum led by members of the ag committee. □

NIBA Fall Round-Up, November 4-5

THE Nebraska Independent Bankers Association's Fall Round-Up Convention will be held at the Midtown Holiday Inn, Grand Island, on November 4 & 5.

An outstanding array of speakers are scheduled to address the general sessions including: Robert L. McCormick, Jr., president, Stillwater National Bank & Trust Co., Stillwater, Okla., and president of the IBAA; Representative Douglas Be-reuter (R-NE), member of the House Banking Committee; Paul Dunlap, president, Hawkeye Bank Corporation, Des Moines, Ia.; B.F. "Skip" Backlund, president, Bartonville Bank, Bartonville, Ill.; Charles Mitchell, Deputy Director, Nebraska Department of Banking and Finance; Robert Devaney, Athletic Director, University of Nebraska-Lincoln; Dwain Spatz, president, S & A Feedlot, Inc., Plainview, Neb., and Thomas M. Hoenig, vice president, Tenth Federal Reserve District.

Advance registration fee of \$55 per banker includes two cocktail receptions, luncheon, banquet and coffee breaks. Spouses are encouraged to attend and participate in the spouses program. Spouses registration fee of \$25 includes all functions. Registration at the door will be \$65 per banker and \$30 per spouse. Hotel reservations are to be made directly with the hotel.

The program schedule follows:

P.M. Thursday, November 4

- 2:00 - 6:00, Registration.
- 3:00 - 5:00, NIBA directors meeting.
- 6:30 - 8:30, Reception.

A.M. Friday, November 5

- 8:00 Registration.
- 9:00 General sessions.
- P.M.**
- 12:00 Joint luncheon with spouses.
- 1:30 General sessions.
- 6:00 Reception.
- 7:00 Banquet.

9:00 Adjournment.

A.M. Spouses - November 5

10:30 Eyewear style show.

P.M.

12:00 Joint luncheon with spouses.

2:00 Tour of Stuhr Museum. □

At a recent meeting of the board of directors of the Nebraska Independent Bankers Association, new officers were elected for the upcoming year. They are as follows:

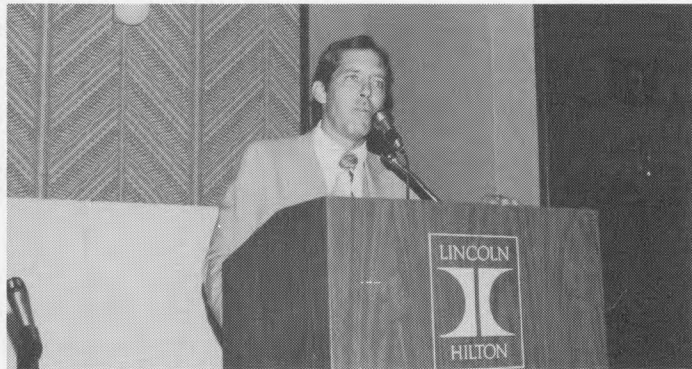
President—Dennis Brewster, Butte State Bank, Butte; 1st Vice President—E. Dean Kugler, Springfield State Bank, Springfield; 2nd Vice President—John M. Green, Wauneta Falls Bank, Wauneta; Secretary—F. Phillips Giltner, First National Bank, Omaha, and Treasurer—Thomas Grove, Packers National Bank, Omaha.

Elected to the board of directors to serve a three-year term were:

District 1: Stephen A. Johnson, Johnson County Bank, Tecumseh,

NIBA ROUND-UP ...

(Turn to page 63, please)



WELCOMING bankers and spouses to the 22nd annual Correspondent Bank Conference hosted by First National Lincoln was **Gary L. Bieck**, vice president and manager of the correspondent bank division. **RIGHT**—Members of the Livestock, Grain and Feed Outlook panel were, from left: **Dale C. Tinstman**, co-chmn., Iowa Beef Processors, Dakota City; **Carson Rogers**, swine producer, Ord; Moderator **Dr. Irvin T. Omtvedt**, chmn., dept. of animal sciences, U of N, Lincoln; **Robert Cartmill**, pres., Lincoln Grain, Inc., and **Jack Maddux**, rancher-livestock producer, Wauneta.

At First National Lincoln Conference



Say Bumper Crop to Boost Cattle Feeding

By **BEN HALLER, JR.**
Editor and Publisher

A **NOTHER** successful Correspondent Bank Conference (the 22nd one) was concluded last month when First National Lincoln presented an excellent ag panel, an excellent buffet lunch at the bank, then sat back with 800 guests and watched the University of Nebraska Cornhuskers romp past the University of Iowa Hawkeyes, 42-7.

More than 800 bankers and spouses registered for the annual conference, which commenced Friday evening with a cocktail-buffet reception at the Hilton Hotel. After an early Saturday breakfast, the Livestock, Grain and Feed Outlook panel was introduced by Gary L. Bieck, vice president and manager of the First National's correspondent bank division.

Panel moderator again was Dr. Irvin T. Omtvedt, chairman, department of animal sciences, University of Nebraska-Lincoln. Participants were Robert Cartmill, president, Lincoln Grain, Inc., Lincoln; Jack Maddux, rancher-livestock producer, Wauneta, and Dale C. Tinstman, co-chairman, Iowa Beef Processors, Dakota City, all three repeat panelists, and new panelist Carson Rogers, swine producer from Ord.

Some of their comments follow:

Mr. Maddux: Cattle cycles show we peaked at 132 million head in 1975, then dropped to 111 million head by 1979, the most dramatic liquidation ever. We began then the expansion of 1980-81 and are up now to 116 million. But in 1979-'80 and

'81 we were hit with a triple whammy: 1. Extreme competition from other meat sources. 2. Skyrocketing costs, including a dramatic increase in interest costs, as well as a change in government policies and in an Administration waging the necessary fight on inflation which was needed, but hurt us. 3. The more subtle change of a maturing of demand in the meat industry. This has its ef-

fect on marketing and demand, thus on producers. Our 116 million head appears to be a level figure, so I see a larger beef supply through 1983. The January 1 total inventory will be important to watch. If slaughter is 35%, then we will be staying even; if it is more then we will be getting liquid; if it is less, then we are getting an increase in numbers.

I have some current observations:
1. The big feed crop of 1982 brings

BUMPER CROP ...

(Turn to page 62, please)

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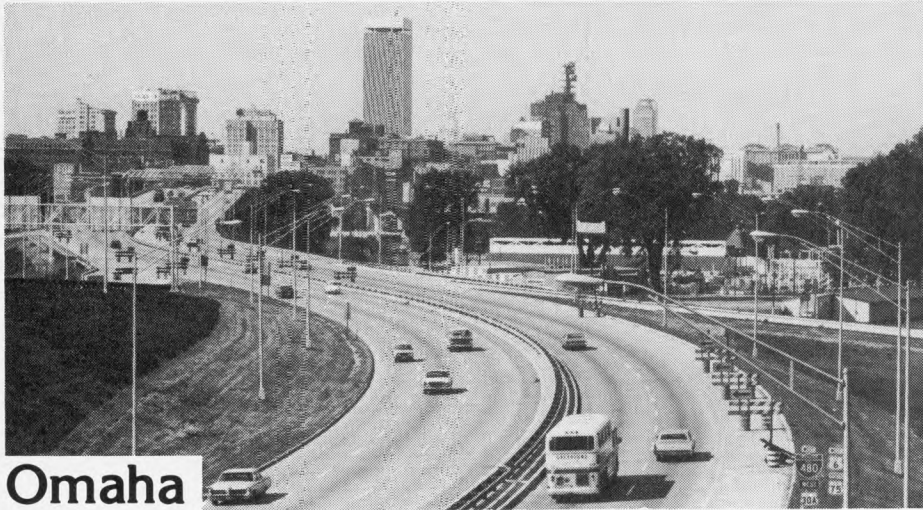
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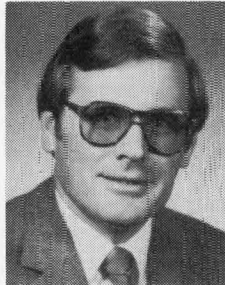


Omaha

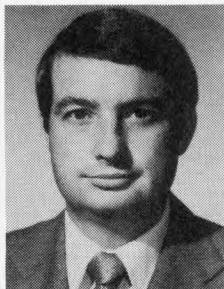
THE promotion of three officers and the election of two new officers have been announced by **H. David Neely**, president of the First Northwestern Trust Company of Nebraska.

Ronald G. Weber has been elected senior vice president and **Harry P. Yosten** and **Richard H. Sieling** have been named vice presidents. **Thomas C. Prohaska** has been elected trust officer, and named internal control officer was **Edward J. Matukewicz**.

Mr. Weber, 37, joined U.S. National Bank (an affiliate of Northwest Bancorporation) in 1967 as a management trainee and was named manager of the proof transit department in 1970. In 1973 he was elected trust officer and was named vice president of the Trust Company in 1980.



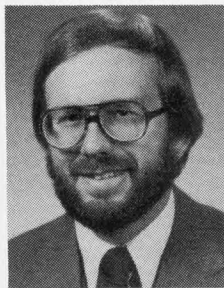
R.G. WEBER



H.P. YOSTEN



R.H. SIELING



T.C. PROHASKA



E.J. MATUKEWICZ

Mr. Yosten, 33, joined the Trust Company in June, 1978, as a trust administrator following two years in private practice as an attorney. In October, 1978, he was elected trust officer and in 1981 was named second vice president.

Mr. Sieling, 43, came to the U.S. National Bank in 1976 as a trust administrator and was elected assistant trust officer in 1977. In 1978 he was promoted to trust officer and was named second vice president in 1981.

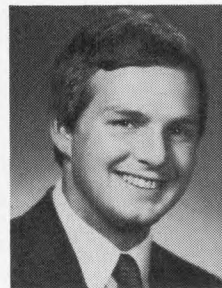
Mr. Prohaska, 33, joined the Trust Company in May, 1982, following five years in private practice as a partner with the law firm of Reedy and Prohaska of Omaha.

Mr. Matukewicz, 34, came to U.S. National Bank in 1970 in the proof transit area and worked in various operations areas before joining the Trust Company in January, 1982, as an internal control specialist.

* * *

The executive committee of the First National Bank of Omaha recently announced the appointment of **Thomas J. Gaughen** as trust marketing officer. He will be active in marketing trust services for the trust and estate division of the bank.

Mr. Gaughen received his law degree from Creighton University's Law School and a master of tax law degree from Washington University in St. Louis, Mo. Prior to joining the bank, he worked in the tax department of Arthur Andersen and Company.



T.J. GAUGHEN

L. Dale Matthews, past chairman of the board of North Side Bank, died August 25 after many years of illness.

He started his banking career at the Packers National Bank in 1925, working there until he attained the position of vice president. In 1946 he became associated with the firm of Kirkpatrick Pettis Company, dealers in stocks and bonds. In January of 1948 he was elected vice president of North Side Bank and played a major role in reorganizing the bank and its staff. He was also elected to the bank's board. In 1957 Mr. Matthews was elevated to the presidency of the bank and in December, 1967, he was elected chairman, the position he held until his retirement.

* * *

Chiles, Heider & Co., Inc., an Omaha-based securities firm, has announced the appointment of **John H. Conley** as director of research, a newly created position.

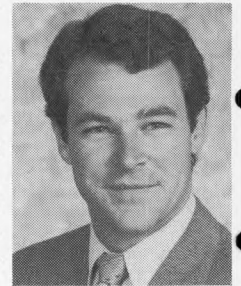
In making the announcement, company president **Charles Heider** said Mr. Conley, who holds the designation of charter financial analyst, will specialize in research on regional companies for the firm's investor-clients. He will also serve as liaison with Chiles, Heider's national research services.

Mr. Conley began his investment career with a Lincoln-based investment firm. He holds a bachelor's degree from Nebraska Wesleyan University in Lincoln, majoring in business administration and economics. He is immediate past chairman of the Investment Education Council of the University of Nebraska-Lincoln.

Doniphan President Resigns

Steve Beachler, president of the Bank of Doniphan, resigned September 1 to become president of a new company, Century Management Corporation, Grand Island.

Prior to his office at the bank of Doniphan, he served a Grand Island bank for 18 years in the marketing, correspondent banking and investment fields.



J.H. CONLEY



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Lincoln

THE board of directors of National Bank of Commerce recently announced the promotion of two officers and the election of three new officers.

Pam Hunzeker was promoted to assistant vice president and marketing officer. She joined NBC in 1978 as a management trainee, has held the position of credit supervisor in the bankcard department and in December, 1980, assumed responsibility for the marketing department.



P. HUNZECKER

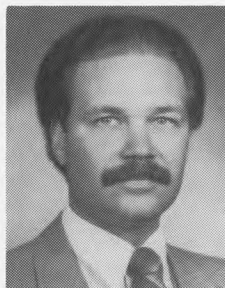


J. KINSEY

Jo Kinsey was promoted to assistant vice president and corporate banking officer. She joined the bank in 1976, also as a management trainee, and has served as a computer services and personal banker officer. Ms. Kinsey joined the commercial division in 1981 to be in charge of business development.

Elected to officer status were **Dennis Heckman**, employee benefit trust; **Joni Pierce**, trust investment, and **Paul Warfield**, international banking.

Mr. Heckman joined the bank in 1975 and served as a vault teller and a collector in credit adjustment. He joined the employe



D. HECKMAN



J. PIERCE



P. WARFIELD

benefit department in trust in 1981.

Ms. Pierce, who joined the bank in 1980, has worked in loan analysis, moving to trust investment in 1981.

Mr. Warfield worked part-time in bankcard at NBC while completing a BS degree at the University of Nebraska-Lincoln. He joined the international department in March, 1981.

* * *

David Calhoun and **Gary L. Petersen** have been elected to the board of directors of the National Bank of Commerce, announced **Thomas D. Potter**, president and chief executive officer of NBC.

Mr. Calhoun is president of Jacob North Printing Co., Inc. Mr. Petersen is president of Petersen Manufacturing Co., Inc., of Dewitt.

* * *

William C. Smith, president of First National Lincoln, has announced the promotion of four to officer status: **Mary Ann Czeschin**, EDP auditing; **Jane McVay**, purchasing; **Shane Zikmund**, installation, and **Linda Zimmerman**, pension/profit sharing supervisor.

Mr. Smith, also president of First National Lincoln Corp., parent of First National Bank & Trust Company of Lincoln, recently announced the corporation has purchased the 20-story First National Bank Building at 13th and M Streets, Lincoln, from the Murdock Development Company for \$8,750,000. The purchase price included the principal balance of the original mortgage.

The building, of which approximately 67% of the space is occupied by First National Bank & Trust Company of Lincoln, has been the headquarters of the bank under a long-term lease agreement since its completion 12 years ago.

Mr. Smith stated it is the intention of the bank to maintain its headquarters in the building for many years to come.

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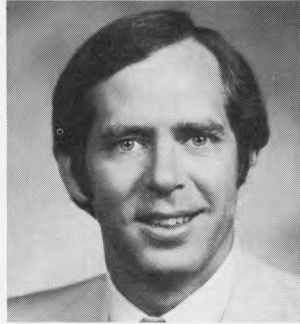
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Steve W. Sutton
Vice President

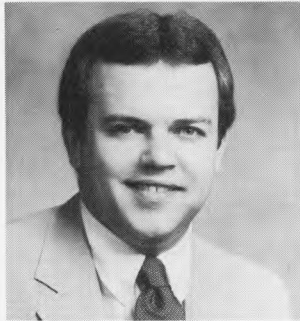
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*Vice President & Manager
Correspondent Bank Division*



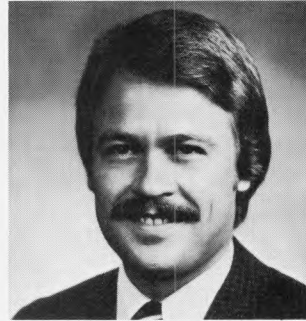
STEVEN L. ANDERSON
Vice President



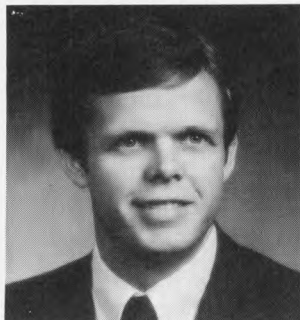
MARK HAHN
Correspondent Bank Officer



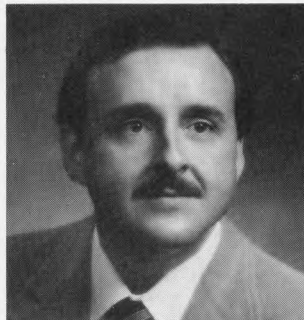
KATHY M. VOTAW
Correspondent Bank Officer



MARVIN HEFTI
Correspondent Bank Officer



CURT DENKER
Correspondent Bank Officer



GARY L. HODDE
Correspondent Bank Officer



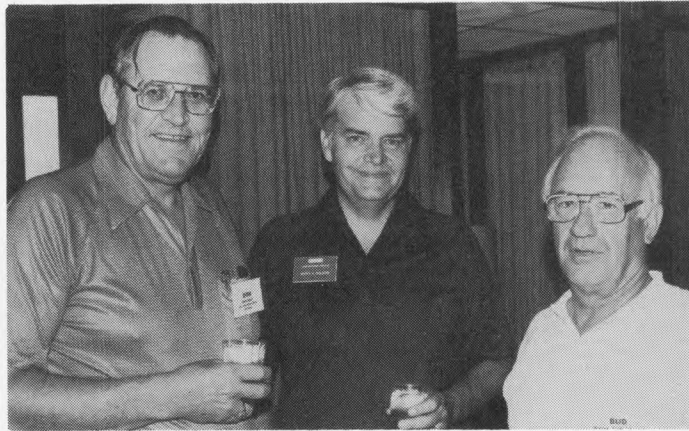
CHARLES R. ELLIS
Correspondent Bank Officer



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ENJOYING the pre-game party at First National offices were, from left: **Bill Smith**, pres., First Natl. Lincoln; **Fred England**, pres., Farmers & Merchants Bank, Axtell; **Don Stull**, chmn., Guardian State B&T, Alliance; **Orrin Wilson**, exec. v.p., and **Bud Johnson**, dir., both with First Natl. Lincoln.

BUMPER CROP ...

(Continued from page 57)

pressure to buy cattle, and we expect a price increase on calves and yearlings through fall to utilize corn supplies. 2. The price increase of last spring was due to less hog competition. It will be next September or the fourth quarter 1983 before we see a substantial increase in pork supplies; therefore, I am optimistic about beef prices through next year.

Mr. Rogers: In the near-term view

of 100 to 120 days, with cheap corn prices I fear we will see weight increases on hogs, and this increase in tonnage will put pressure on prices. With interest rates as they are, I don't see any expansion. If producers will stay with the same numbers they now have, they will continue to get good prices. But right now I see heavier hogs and a declining price for this fall.

Mr. Tinstman: We see a steady meat supply with some slight increase in slaughter numbers and

tonnage. Beef prices during the next two weeks will dictate what happens in the future. If we slaughter the cattle we *should* slaughter, then prices should firm and be in the low to mid-60s for several months. We are current on cattle slaughter now and we need to stay current.

Mr. Cartmill: The Corn Balance Tables (distributed to all registrants) for the past decade show a total supply for 1971 of 6,313 million bushels, made up of 667 million carry-in stocks on October 1 and 5,646 million bushels of new production. Those figures in 1981 were 9,235 million bushels total, with 1,034 million bushels of carry-in stock and 8,201 million bushels of production. That has increased in 1982 to 10,400 million bushels total; 2,085 million bushels carry-in, and 8,315 million bushels of production.

Further figures in the tables show that in 1971 a total of 1,994 million bushels of corn were counted under government isolation programs in 1981—462 million net under loan, 1,264 million bushels in reserve and 268 million bushels in CCC. That total has swelled to 2,932 million bushels in 1982, with 200 net under loan, 2,464 in reserve and 268 CCC. Against the September 30 carry-out of 2,871 million bushels this year, this would leave a negative 61 million bushels—the first negative figure from 1971 forward.

On January 4, 1980, President Carter imposed the grain embargo. If you were to take 500 million bushels out of the 1979-'80-'81 carry-over and add to exports, you would have a dramatically different picture.

An interesting question and answer period between panelists and guest bankers followed. Panelists

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agreed generally that the change in economy brought about by President Reagan's policies is painful, but needed to whip inflation and it "will shake out inefficiencies."

When the panel concluded, the bankers adjourned to the First National Lincoln building for a social hour on the 9th floor and a buffet luncheon served on the 8th floor, after which all the faithful adjourned to the nearby Memorial Stadium game the Iowa Hawkeyes want to forget. □

● **Kearney Campus ATM Opened**

First National Bank and Trust Co. of Kearney has announced the opening of a bank-in-the box terminal located on the Kearney State College campus in the student union. This is in addition to six other locations already in Kearney.

● **Joins Harrison Bank**

Max Hasselbring has joined the Sioux National Bank, Harrison, as a junior loan officer. He most recently was with Bankers Life Insurance Co. of Des Moines, Iowa.

● **Promoted in Osceola**

The First National Bank of Osceola has announced the promotion of Royce Schaeffer to vice president and Janet Neujahr to cashier.

Ms. Neujahr takes the place of Sue Greenwood, who recently resigned.

● **NIBA ROUND-UP ...**

(Continued from page 56)

● and Frank L. Bruning, Bruning State Bank.

● **District 2:** F. Phillips Giltner, First National Bank, Omaha, and Robert C. Fricke, Farmers & Merchants National Bank, Ashland.

● **District 3:** H.L. "Bud" Gerhart, Jr., First National Bank, Newman Grove, and Don G. Johnson, Farmers National Bank, Pilger.

● **District 4:** Louis G. Titus, First National Bank, Holdrege, and Arthur Fritson, State Bank of Hildreth.

● **District 5:** L. Clark Caley, Bank of Clarks, Clarks, and T.L. Armbruster, Nebraska State Bank, Broken Bow.

● **District 6:** William S. Olson, Nebraska State Bank, Oshkosh, and Larry L. Callen, First National Bank, Ogallala.

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OFFICERS of the Iowa Bankers Association for 1982-83 are, from left: Immed. Past Pres.—**Tom Dunlap**, chmn. & pres., South Story B&T, Slater; Pres.—**L.C. "Bud" Pike**, pres., Farmers Savings, Grundy Center; Pres.-Elect—**Al Maser**, pres., First Natl. in Le Mars, and Exec. V.P.—**Neil Milner**, Des Moines. Not present for picture was Treasurer **Russell W. Spearman**, pres., Citizens Savings, Sac City, serving a second year in that post.

Bud Pike Assumes IBA Presidency

By **BEN HALLER, JR.**
Editor and Publisher

STEVE BURCH
Associate Publisher

BECKY McBURNEY
Associate Editor

INCREASED foreign sales and more disciplined domestic crop production are needed to achieve a much-needed turnaround in the nation's agricultural economy, according to several speakers who addressed the 96th annual convention of the Iowa Bankers Association in Des Moines last month. Nearly 3,000 persons were registered during the three days of convention activities.

Installed as new president was L.C. "Bud" Pike, president of the Farmers Savings Bank in Grundy Center. He succeeds Tom C. Dunlap,

chairman and president of South Story Bank & Trust, Slater, who continues on the IBA board of directors as immediate past president.

Named president-elect was Al Maser, president and chairman of First National Bank in Le Mars, who is scheduled to become president during the 1983 convention, which will be held September 18-20, 1983, at the Marriott in downtown Des Moines, site of the past two conventions.

Russell W. Spearman, president of Citizens Savings Bank, Sac City, continues as treasurer for his second year. Neil Milner, executive vice president, heads the professional IBA staff at Des Moines headquarters.

Mr. Dunlap, at a Sunday afternoon meeting of Iowa members of the ABA, was elected to a two-year

term on the ABA Council, succeeding Richard W. Buxton, president, Peoples Trust & Savings Bank, Indianola. Iowa's other ABA Council member, Leslie H. Olson, president, Toy National Bank, Sioux City, will serve during the next year as ABA vice president for Iowa.

Russian Official Speaks

The opening of the general session was given a solid send-off with a major address by Russia's top agricultural official. Dr. Victor Lishchenko, food and agricultural services, The Institute of USA/Canada of the Academy of Sciences, USSR, was introduced by John Chrystal, president, Iowa Savings Bank, Coon Rapids, who has been a guest of Dr. Lishchenko for about 10 visits to Russia to give counsel to Dr. Lishchenko's department on ways to improve that nation's ag production.

Dr. Lishchenko proved first of all to be a very personable individual, who speaks excellent English, and spoke of ag problems and opportunities in his country very much like the subject is faced in this country. He was forthright about their production problems and limitations, especially available, tillable acreage and the weather, and addressed the need to rely on outside purchases to augment home production.

Dr. Lishchenko said Russia has approximately 230 million hectares of arable land (about 500 million acres) and "it requires a lot of money and materials to make our agriculture work" because only 10% of the land gets at least 25" of rain or more. "This leads to a lot of irrigation," he said, and requires 27 million people to be involved directly in agriculture. These are distributed among collective and state farms, 47 in all.



Pictured backstage before a general session were **Lew Jenkins**, pres. of ABA and vice chmn., Manufacturers Hanover Trust, New York; **Neil Milner**, IBA exec. v.p.; **Capt. Gerald Coffee** of U.S. Navy, Honolulu, and **Wes Ehrecke**, IBA staff v.p. **RIGHT**—**Capt. Coffee** also was greeted by these four IBA staff members, from left: **Linda McMillen**, **Sharyn Glass**; **Sherri Parke** and **Barb Lowe**.



LEFT—John Chrystal, pres., Iowa Savings, Coon Rapids, with his guest, Dr. Victor Lishchenko, head of all agriculture in the USSR, who was the convention leadoff speaker, and Dean Hicks, chmn. of IBA ag division and exec. v.p., Community Natl., Knoxville. **RIGHT**—Dave Oman, aide to Gov. Ray, and Randy Steig, IBA exec. dir.

He outlined the production per hectare by various crops. The bottom line of the crop production balance sheet is that Russia can produce a great share of its nation's needs, but also must continue to purchase grains from other nations. He did not refer to this nation's grain embargo of two years ago, but expressed pleasure that the one-year extension of purchase agreement had been approved. By reference to the other nations where Russia is successfully buying grains, it was interpreted by some that he was hoping with these remarks, and those of other Russian officials, to drive down the price of American grain by perhaps 20¢ per bushel before Russia finally has to make the purchases it needs so badly this year.

One reason Russia prefers to buy from the United States, he emphasized, is that our grain, especially corn, is much higher in protein than Russian grain or that of any other nation; therefore, far more valuable and efficient in feeding.

Dr. Lishchenko specifically mentioned the need for sunflower meal and protein due to a two-year in-

festation of that nation's limited sunflower crop.

Other Farm Speakers

Dean McKee, director of market economics at Deere & Co., Moline, Ill., also emphasized the importance of expanding foreign ag sales. He views rapid growth in export markets as a major force in an ag recovery. "There's a more international perspective to the whole ag scene as it affects the ag dollar," Mr. McKee stated. With an assortment of figures by years, he showed the dramatic rise in farm exports in the past decade—wheat 133%, corn 316% and soybeans 110%. He said the strengthened dollar adversely affected the export scene, and that the United States reputation as a supplier has been damaged because others now view our agriculture as a political weapon. Russia's only foreign exchange is gold and oil. With lowered prices in the past two years on these commodities, that nation is wary.

Frank Naylor, USDA Under Secretary, offered no specific plan to improve agriculture. He reviewed again the problems faced by Presi-

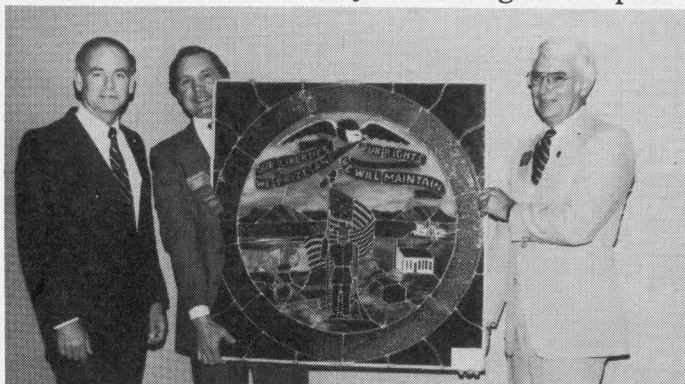
dent Reagan when he entered office, and stated that bankers should meet the needs of ag borrowers and should get the economy turned around by contacting their legislators.

Alan R. Tubbs, president, First Central Bank, DeWitt, gave an excellent talk concerning his role as part of an ad hoc advisory committee to Agriculture Secretary John Block. His incisive remarks will be presented in the next issue more fully as a principal feature.

Iowa Governor Robert D. Ray, invited to address the convention for the last time as Governor, since he will not stand for reelection this fall after 14 years in that office, also spoke up for increased ag exports. He related that on a recent trip to Japan, he spoke directly to the point of increasing Iowa meat exports to that nation and pointed out to Japanese officials that their ability to push their car sales in this nation should be reciprocated by our ability to promote meat sales in Japan above the limited exports now allowed.

Other Speakers

ABA President Lew Jenkins, vice



Iowa Gov. Robert D. Ray was honored by the IBA for his 14 years of service as Governor. Holding the beautiful, handcrafted stained glass art work that depicts the Great Seal of the State of Iowa are IBA Exec. V.P. Neil Milner and IBA Pres. Tom Dunlap. **RIGHT**—Greeting guests at Bankers Trust of Des Moines reception were Jean and Herman Kilpper, pres.; John Ruan, chmn. and Ben Eilders, v.p.



At Omaha Natl. luncheon, from left: **John Woods**, chmn. & c.e.o., and **John Martin**, v.p., of host bank; **Paul Dunlap**, pres., Hawkeye Bancorporation, Des Moines; **Del Olson**, v.p., Omaha Natl.; **Dr. Paul Nadler**, convention speaker; **Dan Boehle** and **Larry Carlson**, v.p.s of Omaha Natl., and **Gary Woods**, pres., Manilla State, and **Jana**.



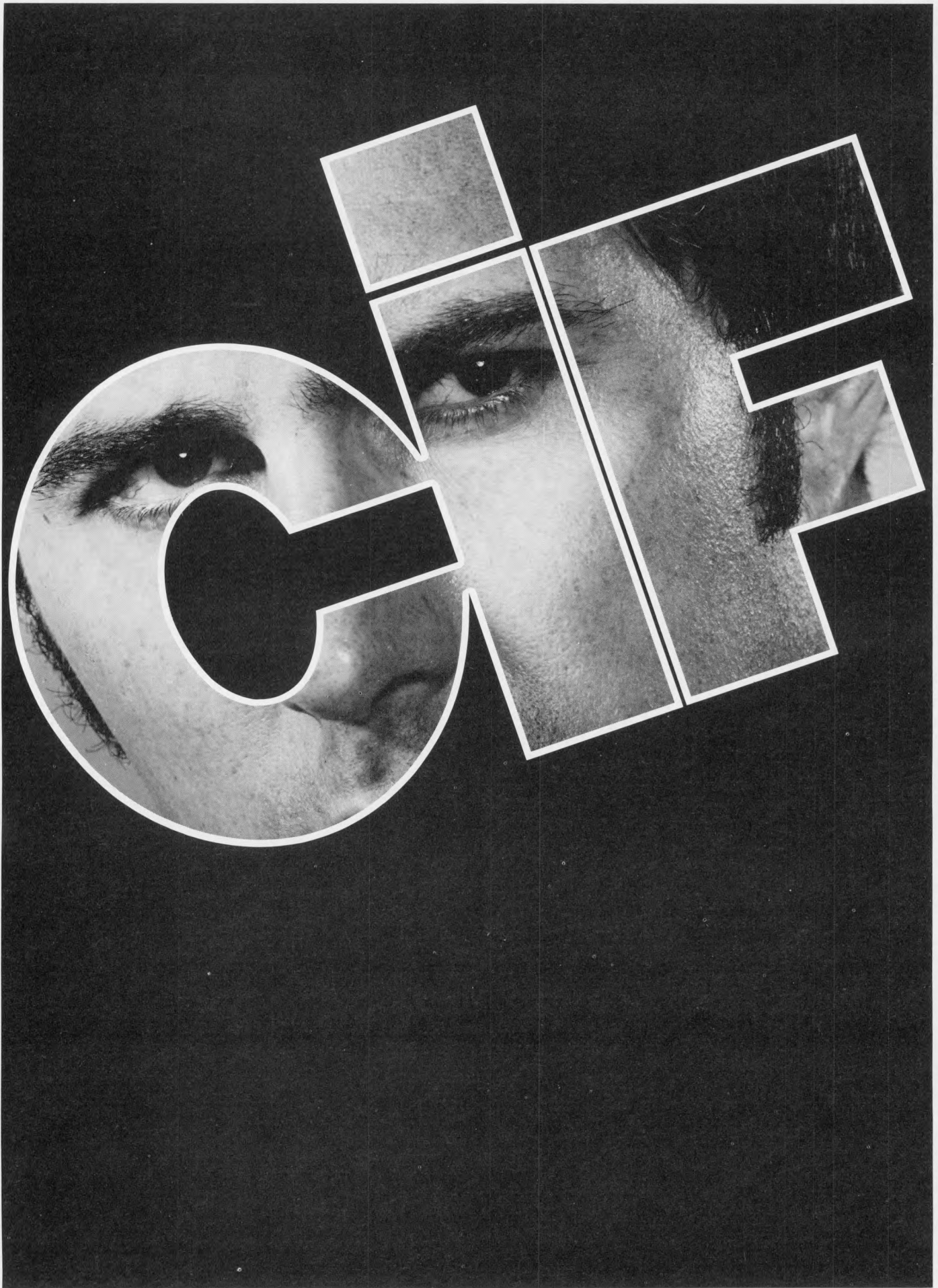
Pictured at Northern Trust of Chicago reception were, from left: **Sally** and **Curtis E. Skinner**, sr. v.p. of host bank; **Terri** and **Gordon Mennen**, pres., Le Mars Savings; **Ernest P. Waud, III** (standing in back), v.p., Northern Trust; **Bob Grant**, corr. bk. repr., Northern Trust; **Jo** and **Larry McGrath**, sr. v.p. & cash., Peoples B&T, Cedar Rapids, and **Jeff Early**, corr. bk. off, and **John Drawer**, bond inv. off., both with the host bank.



LEFT—At U.S. Natl. of Omaha dinner, **Don Murphy** (center), chmn., and his wife **Agnes** were accorded special recognition at their last official appearance at the bank's Iowa convention dinner, since Mr. Murphy plans to retire next March. At left are **Judy** and **Lee Bachand**, v.p., and at right are **Carmen** and **Jim Campbell**, pres. of the bank. **RIGHT**—**Sam O'Keefe**, exec. v.p., U.S. Natl., and **Marge**; **John Liljedahl**, pres., 1st Natl., Essex, and **La Vone**; **Don Hart**, v.p., Security T&S, Shenandoah, and **Shirley**, and **Howard Nielsen**, v.p., U.S. Natl., and **Rita**.



Greeting guests at United Central Bank of Des Moines breakfast were **Bob Millen**, pres., **Bill Greaves**, v.p., and **Ken Myers**, chmn., in line facing camera. **RIGHT**—**Eddie Wolf**, v.p., United Central of Des Moines; **Tom Hay**, pres., Security State, Casey; **Dan Doyle**, pres., Wellman Savings, and **Cy Kirk**, v.p., United Central.



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At 1st Natl. of Omaha dinner were, from left: **Don Ostrand**, v.p., and **Ginny**, of host bank; **Joan** and **Clark Houghton**, pres., 1st Natl., Iowa City; **Bob Miller**, pres., Polk City Savings, and **Mary**; **Fred Kuehl**, oper. off., 1st Natl. of Omaha, and **Janet**, and **Jim Flodine**, 2nd v.p., 1st of Omaha, and **Mary**.

chairman of Manufacturers Hanover Trust Co., New York, also addressed the Monday morning session, instead of as scheduled, because he had to fly to Washington, D.C., to testify before the House banking committee Tuesday morning. Mr. Jenkins stressed again the need for personal involvement by every banker in continuing contact with home state legislators in order to make sure banks and their customers get a fair shake in the constant parade of legislation that affects them.

A distinct highlight of the entire convention was the simple, but forceful expression of faith presented by Capt. Gerald Coffee, U.S.N., fleet air operations officer, Honolulu, who was a North Korean prisoner of war for seven years and was one of those returned on the historic day in 1973 when the first POWs stepped off a plane in view of the entire nation via television. Through his expanded remarks on four basic points: 1. Faith in one's self, 2. Faith in family and friends, 3. Faith in country, 4. Faith in God, Capt. Coffee developed an exciting, emotional re-creation of the development of his ability to survive through faith. His

triumph, he said, came not entirely when he was able to walk away from his prison cell of seven years, but mainly on the day when he looked at his captors after years of torture and knew that someday he would be home in a free country, but they would still have to live in those conditions they created.

A contrast in styles came when Watergate figure G. Gordon Liddy, former staff assistant to President Nixon, gave his talk on "Government: Public Perception vs. Reality." A forceful speaker, he delved into the intrigue of CIA and other branches of all governments internationally.

Glen Lemon, president of First Bank & Trust Co. of Booker, Tex., gave his interesting slide film presentation on "Marketing for Community Banks." His principal goals of service and image were given credibility by the fact that his approach has built First Bank from a few million in deposits to a bank of \$95 million assets in a town of 1,300 people.

Dr. Paul Nadler, professor of finance at Rutgers University, and an old favorite speaker on the economy among Iowa bankers, didn't disap-

point his audience. His rapid-fire delivery of facts and humor sandwiched the idea that despite all the shortcomings of the current economy and the politicians who try to orchestrate "the soap in the bathtub," this nation will survive because it's a far better way for people to live than any other method yet found.

Frank Warner Scholarship

IBA Executive Vice President Neil Milner paid special tribute to the late Frank Warner, who died this past summer at the age of 94. Mr. Warner had served the Iowa Bankers Association as its executive officer for 50 years before his retirement in 1966. His widow, Dora Warner, and members of the IBA have established a Frank Warner Scholarship Fund. Mr. Milner announced at the convention that the new fund had already reached the \$5,000 mark and full announcement of it really had not been made until his appeal that day to Iowa bankers to support the fund.

Entertainment functions again

IOWA CONVENTION ...

(Turn to page 84, please)



PICTURED at Iowa-Des Moines Natl. reception in bank lobby were, from left: **Bernie Kersey**, v.p., and **Mary**, of host bank; **Bill Bernau**, pres. Peoples Savings, Crawfordsville, and **Kay**; **Eugene G. "Bud" Precht**, chmn. & c.e.o. of Iowa-Des Moines, and **Arllys**; **George Milligan**, pres. of host bank, and **Judy**, and **Aloha** and **Tom Dunlap**, pres., South Story B&T, Slater.



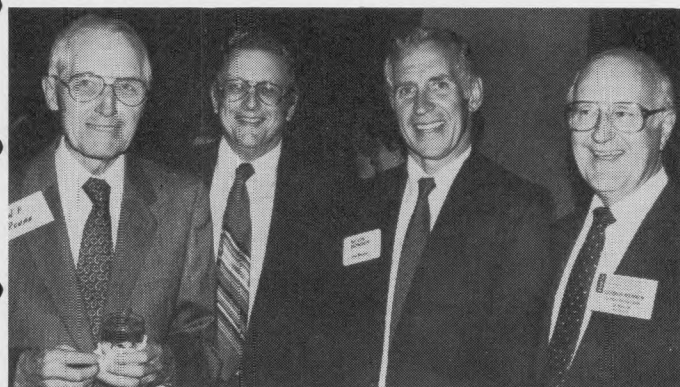
At Harris Bank of Chicago reception were **Mary and Jim Hill**, v.p. of host bank; **Betty and Bill Buxton**, chmn., Peoples T&S, Indianola, and **Lois and Dave Cox**, v.p.-mgr. fin. isnt. at Harris. RIGHT—Seated: **Charles E. Walsh**, v.p., Farmers & Merchants B&T, Burlington, and **Linda; Steve Jacobson**, exec. v.p., Iowa State, Morning Sun, and **Karen**. Standing: **Ken Dykema**, v.p., Valley Natl., Des Moines, and hosts **Mike Mishou, Clayt Johnson and Bob Peroutka**, a.v.p.s with 1st Natl., St. Paul.



Hosts at Drovers Bank of Chicago reception were **Frank E. Bauder**, chmn., and **Vicki**, with **Ruth and Jim Carmody**, pres., who welcomed **Carol and Larry Arendt**, pres., Gibson Savings, and **Mary Ann and Doug Grinde**, pres., Hawkeye B&T, Burlington, along with **Max Roy**, v.p., Drovers Bank, and **Lillian**.

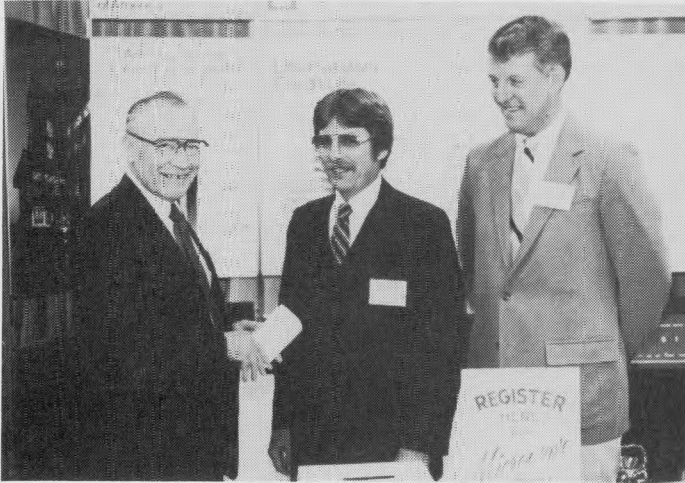


LEFT—At LaSalle Natl. of Chicago luncheon are **Ed Grant**, chmn. of host bank; **Ed Tubbs**, chmn., Maquoketa State; **Dick Flesvig**, a.v.p., LaSalle Natl., and **Doug Grinde**, pres., Hawkeye B&T, Burlington. RIGHT—**Darlene and George Taylor**, pres., Commercial State, Marshalltown; **Scott Faris**, corr. bkg. rep. and **Ken Vegors**, a.v.p., Northwestern Natl., Minneapolis, and **Bill Kabourek**, pres., State B&T, Council Bluffs, and **Jan**.



LEFT—**Bill Ronan**, pres., Decorah State; **Bud Cross**, a.v.p., and **Nevin Bowser**, v.p., both with 1st Natl., Chicago, and **Gordon Mennen**, pres., Le Mars Savings. RIGHT—Seated: **Carolyn Fox**; **Kathy and Tom Whitson**, pres., Council Bluffs Savings, and **Don Fox**, v.p., Council Bluffs Savings. Standing: 1st Natl. of Chicago dinner hosts **Dave Varnerin**, comm. bkg. off.; **John M. Clark**, v.p., and **Paul Gargula**, corr. bkg. off.





LEFT—Leroy Hughes, v.p., Columbus Junction State, visits with Chuck Kraut and Robert Okerstrom, both with Life Investors, Cedar Rapids. RIGHT—Jim Sheedy, lease mktg. off., Lease Northwest, Des Moines, Scott Ulbrich, corr. bkg. off., Northwestern Natl., Mpls., and Rita Chamblin, financial ser. off., Lease Northwest, Mpls.



At Davenport Bank & Trust Co. reception were: LEFT—Bob Hartman, comp. serv. off., Davenport B&T, and Margaret; Bill Logan, pres., State Central Savings, Keokuk, and his wife, Joan, and Jim Figge, exec. v.p., Davenport B&T. RIGHT—Dick Bueneke, pres., Citizens State, Belle Plaine, and his wife, Marty, with Judy and Mike Bauer, sr. corr. bkg. off., Davenport B&T.



Dick Holmes, a.v.p. and Bill Addington, v.p., both with F & M Marquette, Mpls., visit with Bill Ronan, pres. & chmn., Decorah State, and Bob Brenton, pres., Brenton Banks, D.M. RIGHT—Steve Jacobson, exec. v.p., Ia. State, Morning Sun and wife Karen, with Jodi and Allen Luettgen, pres., Miles Savings.



Visiting during the United Missouri Bank of Kansas City dinner were: LEFT—Phil Giltner, pres., 1st Natl., Omaha; E.L. Burch, exec. v.p., United Missouri, and Dick Goos, pres., Citizens State, Oakland. RIGHT—Al Wissink, pres. & chmn., 1st State, Diagonal; Phil Straight, v.p., and Dick Muir, v.p., United Missouri; Carol and Don Kelley, pres., Early Savings, and Joyce Chaney, inv. off., United Mo.

More Pictures from the Iowa Bankers Convention



LEFT—Jerry Gross, pres., Kirk Gross Co., Waterloo; Sue and Sparky Duroe, pres., Farmers State, Jesup, and Bob Buckley, sales rep., Kirk Gross. RIGHT—Harold Evans, dir., Citizens State, Corydon, reviews past projects with George Gerza and Martin Goldberg, acct. execs. with HBE Bk. Facilities, St. Louis.



LEFT—The Data Business Equipment, Inc. booth was well manned by Jim Kelley, Lynn Groen and Art Joura, pres. RIGHT—Robert Donhowe, chmn., Norwalk-Cumming State, and wife, Pat, watch equipment demonstration by Ed Herman, pres., Electronic Office System, D.M.



LEFT—Bill Behrens, sales rep., Electra Sign Co., Cedar Rapids; Jim Thomas, dist. sales mgr., Daktronics, Brookings, S.D., and Carl Dencklau, exec. v.p., Alden State. RIGHT—Marc Emerson, Stenson, Warm, Grimes & Port Arch., Waterloo; Robert Jordon, sales rep., Office Concepts, Waterloo, and Geoff Grimes, pres., Stenson, Warm, Grimes & Port Arch., Waterloo.



Pictured at the Hawkeye Bancorp. reception held at the D.M. Botanical Center included: **Steve Jones**, v.p., and his wife **Linda**; **Paul Dunlap**, pres.; IBA Pres. **Bud Pike**, pres., Farmers Savings, Grundy Center, and his wife **Evelyn**; Paul's wife **Jackaline**, and **Tom Miller**, Iowa Attorney General. RIGHT—**Wayne Johnson**, pres., Everly State; **Ken Roeder**, corr. bkg. off., Security Natl., Sioux City; **Roger Platz**, rep., Deloitte Haskins & Sells, D.M., and **Steve Hatz**, v.p., Security Natl., Sioux City.



LEFT—**Bob Vasko**, v.p., Continental, Chicago; **Dean Duben**, pres., Brenton 1st Natl., Davenport; **John Koppes**, loan off. and **Jack Roach**, pres., Key City B&T, Dubuque; **Pam Windham**, bkg. assoc., Continental, Chicago, and **Bill Beatty**, pres., Atlantic State. RIGHT—**Mary Nihlean**, comm. lending, Continental, Chicago; **Bob Donhowe**, Norwalk-Cumming State; **Jim Fletcher**, v.p., West Bank, Des Moines; **Tom Hunt**, dir., Security Savings, Scranton, and **Jim McClamroch**, v.p., Continental, Chicago.

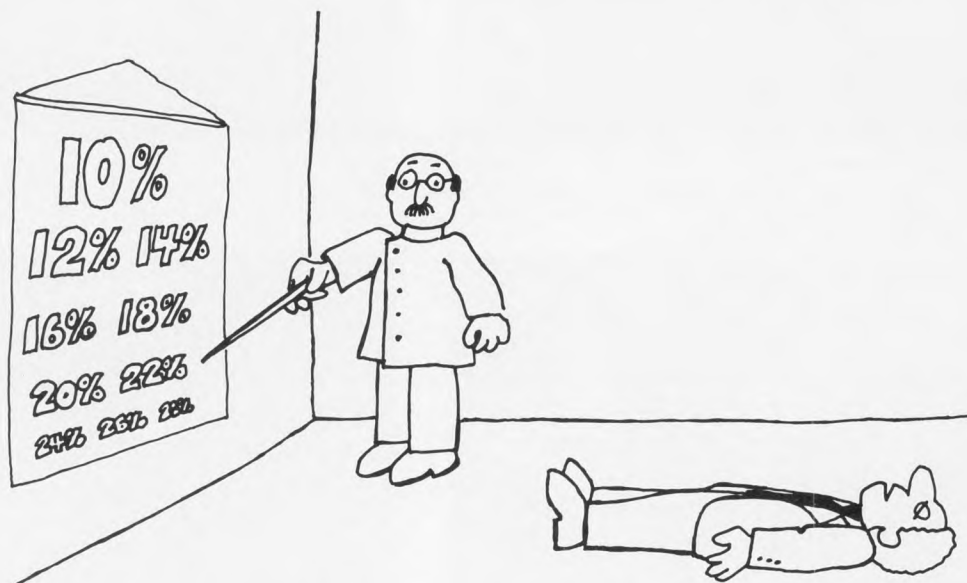


LEFT—**Harold Fawcett**, pres., State B&T, Nevada; **Peter Hegel**, bond off., Continental, Chicago; **Cort Peterson**, v.p., Independent Financial Corp., Mason City, and wife, **Velva**, and **Herb Jacobson**, dir., Brenton B&T, Adel. RIGHT—**Don Janssen**, br. mgr. and **Joe Graziano**, acct. rep., with Burroughs Corp. in D.M.



LEFT—**Millie Uding** (center) v.p., IBIS with **Bill Weis**, sr. v.p. and **Dennis Dougherty**, reg. v.p., both with Centerre Bank, Kansas City. RIGHT—**Jack Hawkes**, v.p., The Credit Life Ins. Co., Springfield, Oh., visits with **Gary Livesay**, v.p., and **Merrit Krause**, v.p., both with IBIS, Des Moines.

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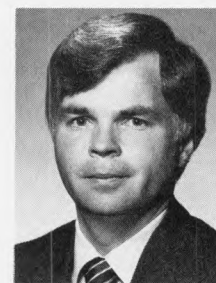
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Attending the First Bank Minneapolis luncheon were: (left)—**Al Highum**, a.v.p., host bank; **Herman Oelkers**, 1st State, Thornton; **Tom Siskow**, pres., UCB of Sigourney; **Gary Younge**, exec. v.p., 1st State, Thornton, and **Bill Hamilton**, a.v.p., 1st Bank, Mpls. RIGHT—**Charlie Rooney**, inv. off., 1st Bank, Mpls.; **Reid Giese**, consultant, 1st Natl., Sumner; **Dave Williams**, a.v.p., internatl. bk. off., 1st Bank, Mpls., and **Bill Rickert**, sr. v.p., Natl. Bank of Waterloo.



Attending the American National Bank of Chicago's breakfast were: (left) **Don Benson**, v.p., host bank; **Lucille Johnson**, a.v.p., and **Marc Johnson** (not related), both of Brenton B&T, Urbandale, and **Ed Jacobs**, inv. rep., American Natl. RIGHT—**Dennis Reher**, 2nd v.p., American Natl.; **Bob Farrar**, Hawkeye Bancorp, with his father, **Frank Farrar**, Union Story T&S, Ames, and **Guy Rich**, corr. bkg. off., American Natl.



LEFT—**Paul Gahan**, pres., Farmers Savings, Danbury; **Mary Nihlean**, Continental Bank, Chicago; **Mary and John Mangold**, sr. v.p., Merchants Natl., Cedar Rapids and **Brian Phillips**, pres., BICS, Cedar Rapids. RIGHT—(Back Row) **Allan Eich**, v.p., 1st Natl., Woodbine; **Terry Martin**, v.p., Merchants Natl., Cedar Rapids, and **Don Arendt**, pres., Citizens Savings, Gilman; (Front Row)—**Terry Collins**, exec. v.p., Citizens Savings, Gilman; **Stan Farmer**, v.p., Merchants Natl., Cedar Rapids, and **Rich McCoy**, br. mgr., Cummins-Allison Corp., Des Moines.

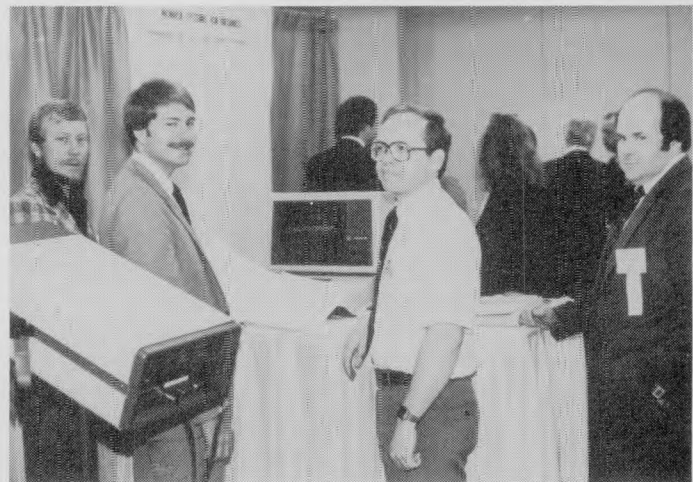


LEFT—**Ken Waltman**, pres., Avoca State; **Doug Keiper**, a.v.p., Merchants Natl., Cedar Rapids and wife **Bonnie** and **Herb Tangeman**, chmn., Security State, Guttenberg. RIGHT—**Joe Broders**, corr. bkg. off., 1st Natl., Sioux City; **Bernice** and **Tom Steele**, pres., Steele State, Cherokee; **Gary Stevenson**, v.p., 1st Natl., Sioux City, and **Dale Den Herder**, pres., American State, Sioux Center.

More Pictures from the Iowa Bankers Convention



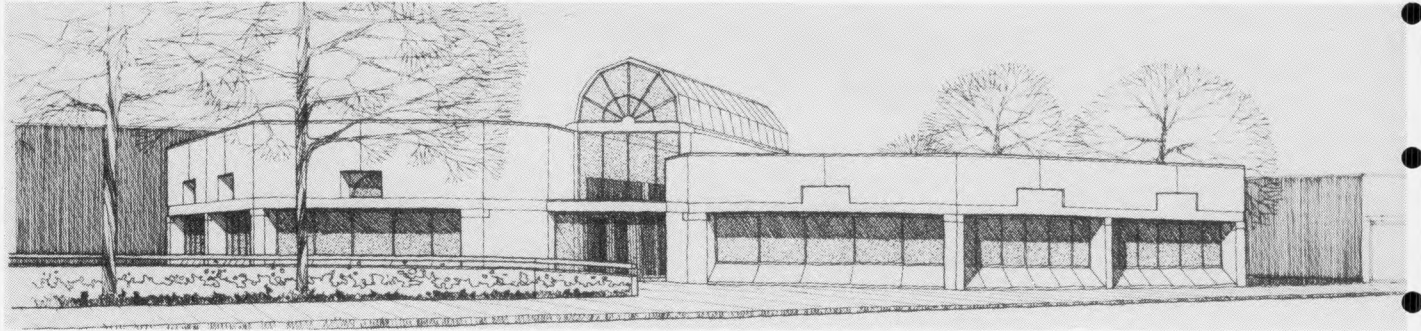
LEFT—**Brian Scott**, v.p. and **Terri Kettering**, mgmt. train., BICS, demonstrate system to **Jack Rigler** (center) pres., Central State, Muscatine. RIGHT—**Bill Dodgen** (center) v.p., Hawkeye B&T, Des Moines visits with **Denny Sullivan**, acct. mgr. and **Steve Boes**, terr. mgr., both with BICS, Cedar Rapids.



LEFT—**Karma Cahill**, pres., Karma Cahill Fine Art & Framing, Cedar Falls; **Kristy Ballard**, Farmers Savings, Mitchellville; **Marlys Wubbena**, Osceola State B&T, and **Dorothy Gulling**, Farmers Savings, Mitchellville. RIGHT—**Mike Keim**, pres., Thurman State; **Dave Stochl**, sales rep., Financial Sys., Inc., Ia. City; **Dan Gold**, a.v.p., Thurman State, and **Dave Waldron**, Financial Sys., Inc., Kearney, NE.



LEFT—**Jerry Caligiuri**, IAC Group, Des Moines; **Jim Johnson**, pres., Security State, Sutherland, and his wife, **Colleen**, and **Craig Ross**, also with IAC Group. RIGHT—**Randy King**, v.p., Farmer Savings, Stratford, meets with U.C.B. Systems representatives **Dave Akehurst**, **Margaret Noblin** and **Waltor Astor**.



First National, Oelwein, Breaks Ground for New Building

HARRY Young, chairman of the board of The First National Bank of Oelwein announced recently that the **Kirk Gross Company of Waterloo** has started construction of the bank's new 22,742 square foot building.

Located on the old Ward's site, directly north of the existing bank building, the new facility will create a drastic change on the corner of Frederick and Charles Streets. Strategically situated on a diagonal so that the unusual entrance faces southeast, the building will be accessible from three directions. Upon completion of the new building, the old structure will be demolished.

Constructed of the identical brick used on the bank's drive-up across the street, the building will be approximately 18' high on the southwest side, with a 27' high glass, arched skylight in the center, and 14' high on the northeast side. The glass, arched skylight will run the entire length of the building and will

dramatize the front entrance as well as the rear entrance immediately across the alley from the municipal parking lot.

A large, open area with a four-level recirculating waterfall and pool will expose the lower level. Customers can cross part of it on a suspended walkway to enter the front doors. The remaining site will be attractively landscaped and parking for approximately eight cars will be on site.

A well lighted bag and envelope night deposit system will be at the front entrance for customer convenience.

Upon entering the building, the 72' long glass, arched skylight will provide a dramatic effect and will serve as a visual separation of the six-station teller line on one side and the officers' complex on the other side.

The officers' complex will have four private offices and conference rooms and a large open officers' plat-

form. A centralized reception station, stenographer pool area and numerous waiting areas will be incorporated on one side of the skylight.

The other side will have the teller line, complete with sit-down station for the elderly, a large new accounts and customer service area, a board room and an additional private office. Storage, expansion space and a large cash vault are also included. A public elevator is located adjacent to the teller line to provide access to the lower level. Wide stairways provide additional access between levels.

The lower level will have a trust department area consisting of two large offices, a large conference room, and steno and security file storage. A large safety deposit vault with three private coupon booths, the large bookkeeping department, employee lounge, utility areas and a large storage area also are included on this level. The public coffee and snack bar, a long-time tradition with the bank, will be adjacent to a waiting and lounge area and will face a glass wall looking out to the area-way and the four-level waterfall and pool.

The overall interior color scheme of medium oak finishes, brick, burgundy and gray colors, combined with a horizontal oak band the same height as the exterior band, will create a tasteful and pleasant atmosphere for customers and employees alike.

The project is anticipated to take 12 months to complete barring unusual delays. **The Kirk Gross Company of Waterloo**, Iowa's leading designers and builders of financial facilities, will utilize local subcontractors wherever possible. Architectural work was provided by Smiley, Glotter & Assoc. of Minneapolis, with Kirk Gross Company also serving as consultants and interior designers.

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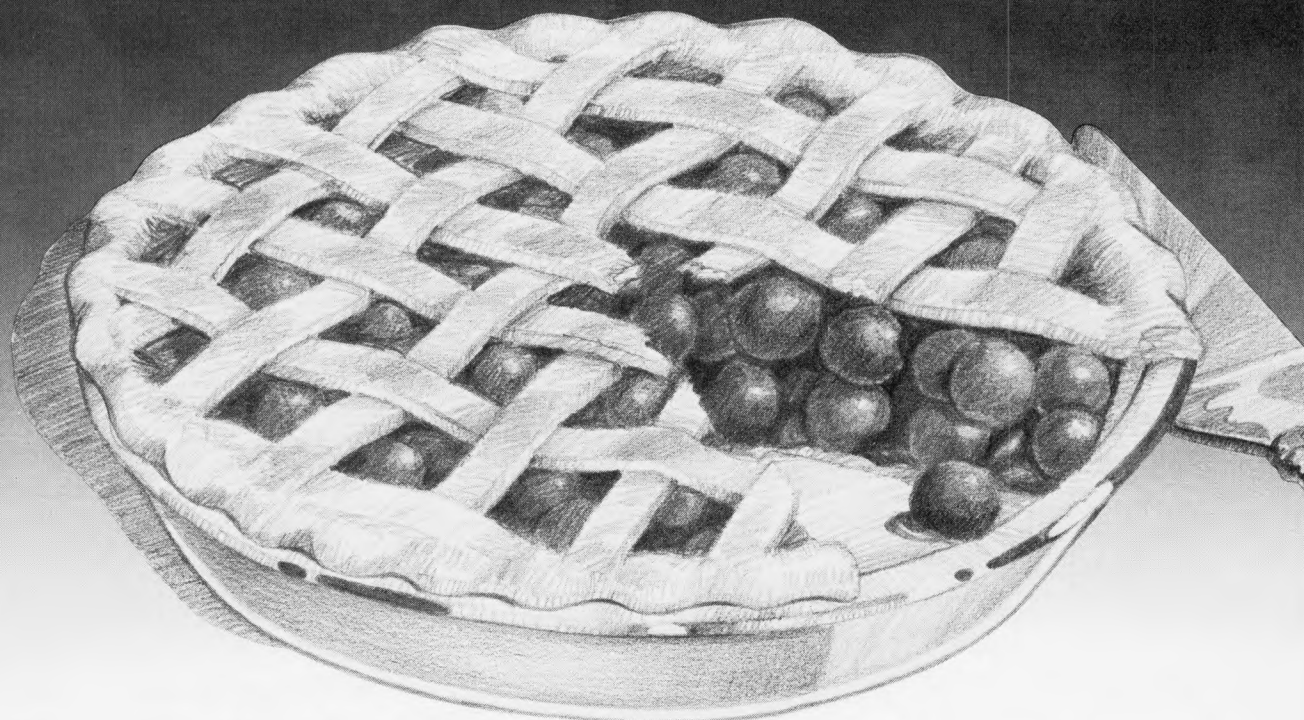
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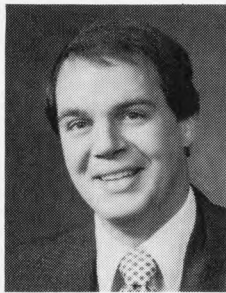


*Bernie Miller,
Correspondent Banker
319/582-1841*

Mason City President Named

James E. Niemants was recently elected president, chief executive officer and a director of American State Bank, Mason City. Mr. Niemants succeeds George W. Meyer, who has resigned to pursue other interests.

Mr. Niemants has been serving



J.S. NIEMANTS

as executive vice president, responsible for the loan portfolio. Before joining the bank's staff, he had been with the Citizens National Bank of Boone.

Iowa Falls Bank Purchases Building For Expansion

The Iowa Falls State Bank, Iowa Falls, has recently purchased the building located next door to the bank, currently housing Harrison's Variety Store, for future expansion. Harrison's is expected to close sometime before July, 1983.

Elected Vice President at Iowa College Foundation

The Iowa College Foundation Board of Governors has elected Dr. Roger A. Hughes as vice president of the Iowa College Foundation, Des Moines, according to Dr. Walter F. Peterson, chairman of the board of Governors and president of the University of Dubuque.

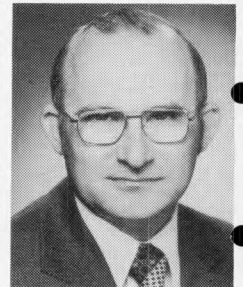
Dr. Hughes, until resigning to accept the vice presidency of the Foundation, has been director of development at St. Norbert College in De Pere, Wis. He will take on his duties of the newly created position as chief operating officer of the Iowa College Foundation on October 4, 1982.

Dr. Hughes has been with St. Norbert College since 1979 where he has served as acting director of public relations and director of development. Previously, he was director of alumni relations at University of Wisconsin-LaCrosse.

The Iowa College Foundation, located in Des Moines, Iowa, is an association of twenty-four private Iowa colleges.

Midtown Manager Named

Ron Will, commercial loan vice president of Toy National Bank, Sioux City, has been named manager of Toy's Midtown Office at 17th & Pierce. Mr. Will, whose responsibilities include both operations and loan divisions, will expand the office capabilities to full-service and continue to serve commercial loan customers from that location.



R. WILL

Mr. Will replaces Devona Willms who joined Mead-Johnson on August 30 as a medical sales representative.

Paton Vice President Dies

James H. Harris, 91, who served as vice president of Community State in Paton for 25 years, died July 22. He was an active citizen in Paton community until the winter of 1980 when his health began to fail.

Mr. Harris was with the bank from the time it was incorporated in February, 1956.

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The Kirk Gross Company uses local contractors and suppliers whenever possible. But they're not the only people who benefit.

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The whole town benefits. That's what your operation is all about. That's what our operation is all about.



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Security National Presents Unique Gift to Sioux City Libraries

A UNIQUE book outlining the complete natural history of Iowa was presented to several libraries in Sioux City by Security National Bank. *Iowa's Natural Heritage* is an exciting publication that explores and commemorates Iowa's rich and fascinating environment.

The publication is the first of its kind for Iowa, and one of the first in the United States. The book was published under a cooperative effort of the Iowa Natural Heritage Foundation and the Iowa Academy of Science. These organizations formed an agreement with the Iowa Bankers Association to distribute the book through Security National Bank and other participating banks across the state.

It is a distinctive and authoritative book written by 32 of Iowa's most respected natural scientists. The book represents an accumulation of many years of research and study. Fourteen chapters cover the geological history of Iowa; glaciers and resulting land forms, water re-

sources, soils, weather and climate; prairie land, forests, and plant life, wet lands, aquatic life, and wildlife. Also included are chapters on native peoples and Iowa's explorers and settlers.

Security National Bank has contributed the book to the Sioux City



R.E. Hagen (left), president of Security National, presents Fred Neighbors, director of Sioux City Public Libraries, with a copy of *Iowa's Natural Heritage*.

Public Libraries, the Sioux City High Schools, Morningside and Briar Cliff Colleges and Western Iowa Tech. The book is also available at Security National Bank for \$24.95 per copy until November 1.

Mt. Pleasant Bank Elects New Board of Directors

Donald F. Carmody, president of Hawkeye Bank & Trust, Mt. Pleasant, has announced that a new board of directors has been elected. They are:

Carl Seberg, Olds-Swedesburg area farmer; Carl Byrum, Mt. Union area farmer; Bob Miller, administrator of the Henry County Health Center; Bill Hassenfritz, owner of the International Dealership in Mt. Pleasant, Edd King, administrative manager of Metro Mail's operation in Mt. Pleasant and mayor; Marvin Day, owner of A&D Management, and Donald F. Carmody.

Paul Dunlap, president of Hawkeye Bancorporation, had initially been president of Hawkeye Bank & Trust, Mt. Pleasant, with Mr. Carmody as executive vice president. Mr. Carmody has assumed the position of president. Mr. Dunlap had indicated that the bank would have a completely local board and the election of these individuals fulfills that commitment.

Joins Cedar Falls Bank

Tom Hawkinson has joined the Cedar Falls Trust & Savings Bank as a trust officer.

Mr. Hawkinson was formerly employed in the estate and trust division in banks in Omaha and Louisiana.

He will be responsible for estate planning in the trust department.

Milford Bank Opens Banking Facility in Okoboji

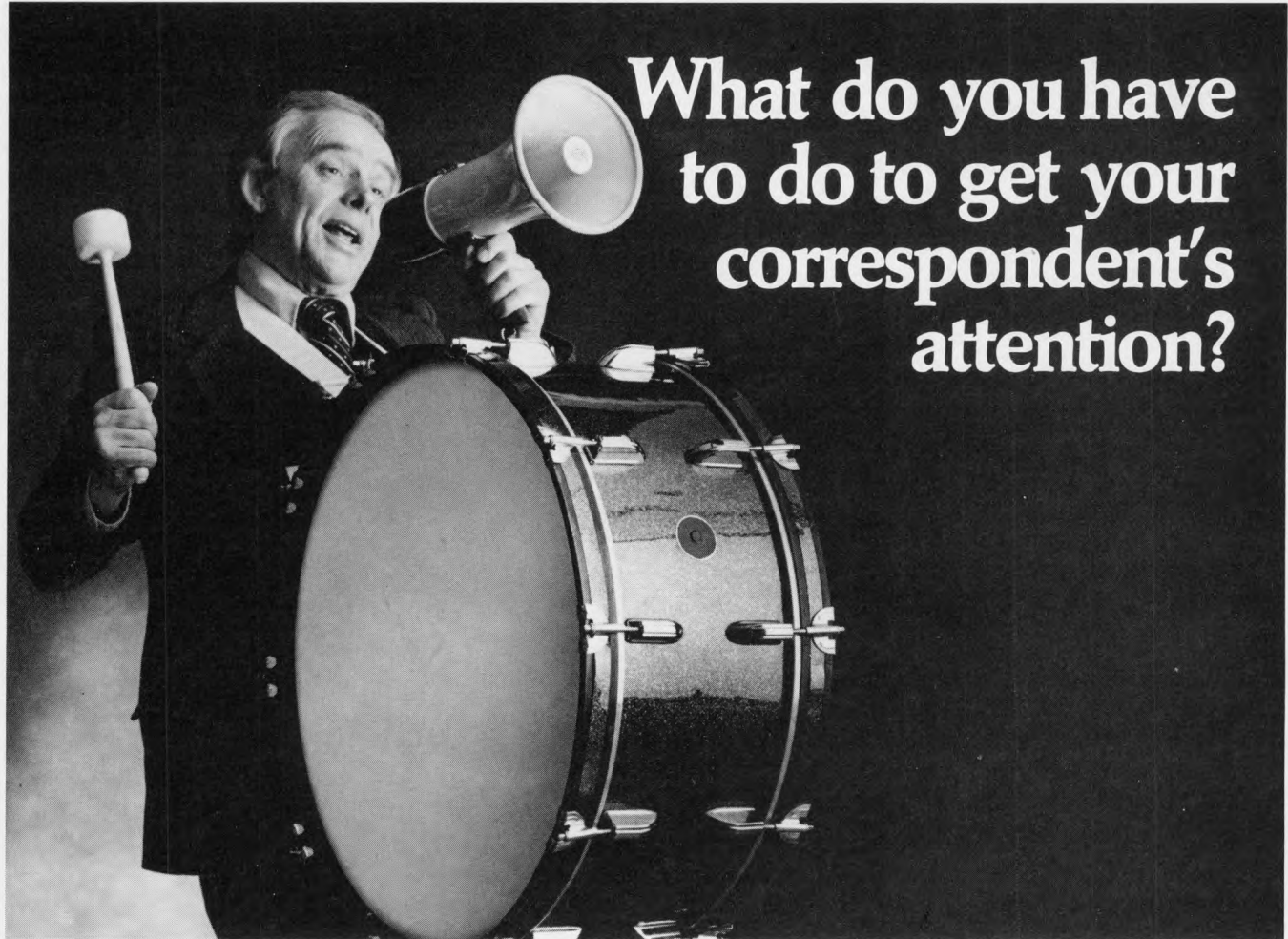
Dickinson County Savings Bank, Milford, recently opened a temporary facility in Okoboji on Hwy. 71. The bank is in the process of constructing a new 1,000 square foot, full service banking office just 100 feet north of the temporary facility and across from Brooks Lodge.

The new office, scheduled for completion in the middle of January, 1983, will include a drive-up and three teller windows, with offices located on the main floor.

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It's time you started working with a bank you can bank on. At Drovers Bank of Chicago, you have direct daily access to top level banking professionals and a staff whose careers are centered on correspondent banking. We're one of the ten largest correspondents in Illinois. You and your bank's financial needs are very important to us. It explains why we're so responsive and why our correspondent relationships have almost quadrupled in three years.

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The Responsive Correspondent

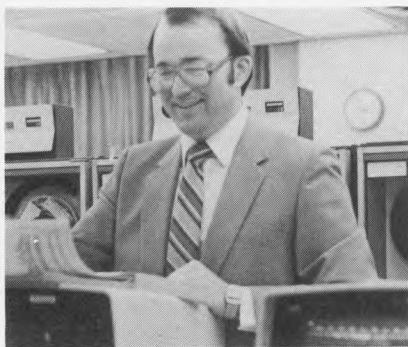
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Correspondent Bank Officer
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Your Security Correspondent Bankers
l. to r. Ken Roeder, Stan Carlson,
Wilma Weeks, Steve Hatz, Mike Hefner

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Keokuk Executive Named

William Logan, president of The State Central Savings Bank, Keokuk, has announced the appointment of Chris J. Pappas as executive vice president and director.



C.J. PAPPAS

Mr. Pappas has been associated with Farrar and Associates for the past 11 months and prior to that he was senior lending officer at Bankers Trust Company for 12 years. He has also been employed with the Federal Reserve Bank of Chicago and was a senior bank examiner and trust examiner.

Cedar Valley Elects Board

The Cedar Valley Chapter of the Bank Administration Institute recently elected officers for the 1982-83 year. Results of the elections are as follows:

President—Gary Burke, vice president and cashier, State Bank of Waverly; Vice President—David L. Kingland, senior vice president, First National Bank, Mason City; Treasurer—David G. McQuown, vice president, First State Bank, Greene, and Secretary—Lyle E. Meyer, executive vice president, State Bank of Allison.

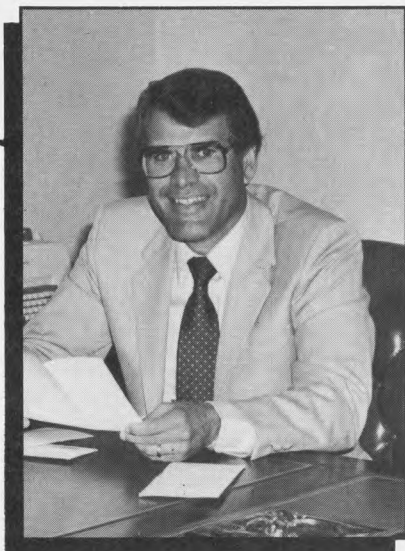
Directors elected were Mickey E. Lewis, president & trust officer, First National Bank, Sumner; Gordon Koehler, assistant vice president and farm representative, Cresco Union Savings Bank; John Hess, vice president and cashier, Decorah State Bank, and J. Richard Herbrechtsmeyer, vice president, First Security Bank & Trust, Charles City.

IOWA CONVENTION ...

(Continued from page 70)

played a big part in the convention. Burl Ives presented two music performances Sunday evening; the President's Ball drew a good crowd to the Fort Des Moines Hotel ballroom Monday night, and the Tuesday Night Hoe Down played to a full dinner crowd at the Marriott ballroom.

The largest exhibit area ever for an Iowa convention featured a number of new machines, programs and services for Iowa banks.



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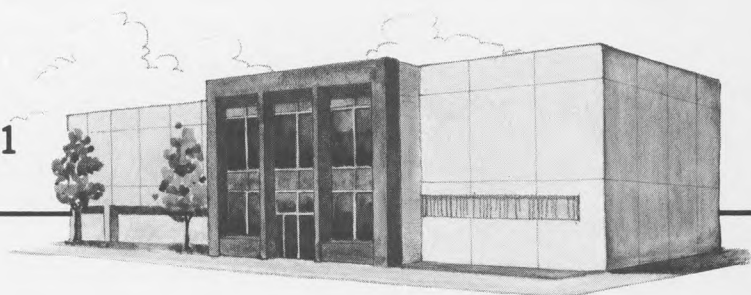
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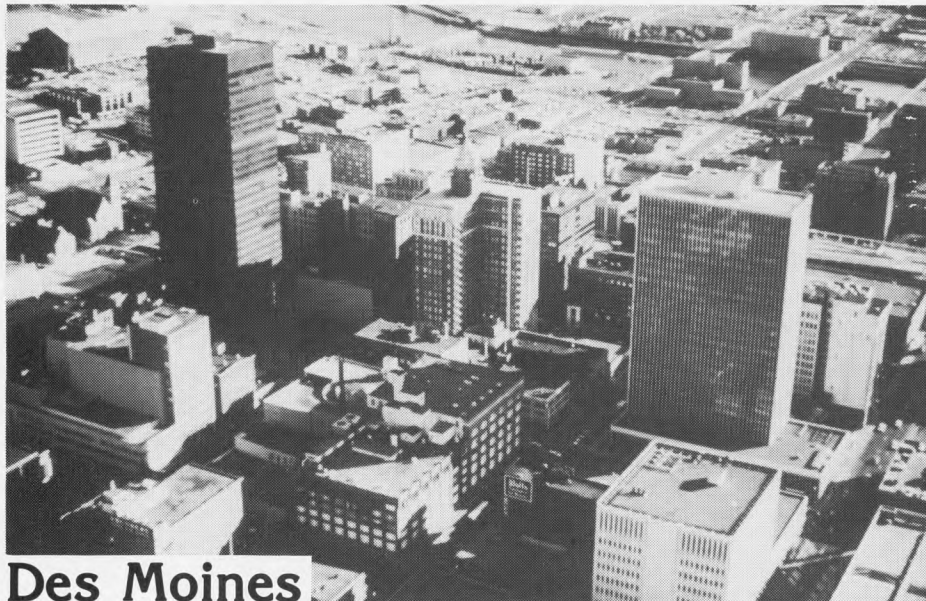
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Des Moines

UNDER a federal judge's order, Hawkeye-West Bank and Trust of Des Moines will have to cut out the "West Bank" portion of its name. It was ruled that the bank's name infringes on the West Des Moines State Bank's "West Bank" trademark. Hawkeye-West must destroy all documents bearing the "West Bank" phrase and must file a plan by Sept. 13 detailing its compliance with U.S. District Judge Harold Viotor's order. The judge also awarded the West Des Moines State Bank \$18,876 in damages. Hawkeye-West, one of about 30 owned by Hawkeye Bancorporation, used to be First Federal State Bank until April, when it adopted its current name.

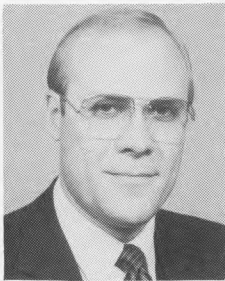
* * *

J. Locke Macomber, president of Valley National Bank, has announced the election of **Mark W. Christen** as vice president and head of the correspondent bank division, and **Kenneth W. Dykema** as vice president in commercial lending.

Mr. Christen has had extensive correspondent banking and lending experience, including many years in correspondent banking at Merchants National Bank, Cedar Rapids.



M.W. CHRISTEN



K. DYKEMA

Mr. Dykema, who has been with Valley Bank since February, 1981, was previously assistant vice president in commercial lending.

Wyoming Bank Expands

Ralph Orth, executive vice president of the Citizens State Bank in Wyoming, has announced that construction has begun to expand the bank's present facilities. The expansion will include taking over the adjacent building to the east and extending the Colonial exterior design of the original bank.

A large, private office directly accessible from the outside will be available for attorney services to the community. An employee lounge, large bookkeeping department and two fire proof storage vaults are also included.

When completed in five to six months, the bank will occupy over 6,800 square feet of banking space to serve its customers.

Kirk Gross Company of Waterloo is in charge of the project and will utilize local subcontractors wherever possible.

First Mid America Opens Red Oak Office

Charles J. Burmeister, president of First Mid America Inc., Lincoln, Nebr., has announced the opening of its Red Oak, Ia., office. Serving Red Oak and Southwest Iowa as FMA account executives will be Winfield Mayne and Bob Norris.

Mr. Mayne is a native of Red Oak and before joining First Mid America was employed at Montgomery County National Bank in Red Oak

for 17 years. His education includes a bachelor's degree in Business Administration from the University of Iowa, and graduate degrees from both the University of Wisconsin and Iowa State University. Mr. Mayne has served as president of the Iowa Federation of County Bankers and Southwest Iowa Bankers Association.

Mr. Norris is also a native of Red Oak. He has been engaged in farming and the real estate business. He also is currently serving on the Montgomery County Board of Health.

First Mid America is a regional investment banking and brokerage firm headquartered in Lincoln with offices in 18 midwestern cities.

Security National to Sponsor Retail Seminar

Security National Bank, Sioux City, will be sponsoring a Retail Seminar, featuring Murray Raphael, president of Murray Raphael Advertising, to be held Wednesday evening, November 10, at the Sioux City Hilton Inn.



M. RAPHEL

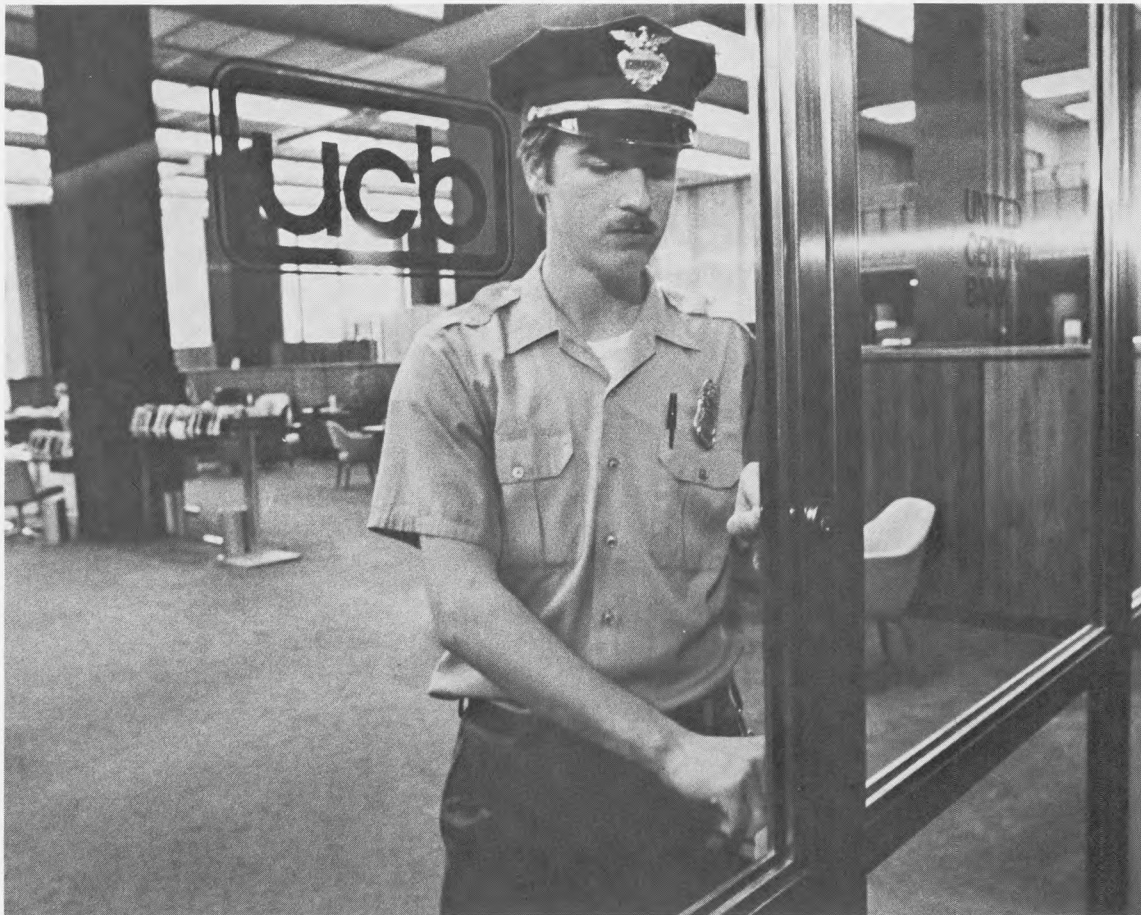
The schedule for the seminar entitled, "The Great Brain Robbery," includes a reception and hors d'oeuvres from 6-7 p.m.; Murray Raphael from 7-10 p.m., and reception and hors d'oeuvres again at 10 p.m.

Mr. Raphael is a retail merchant and international speaker on marketing and advertising. He is an advertising consultant to many major organizations and writes a monthly newsletter on advertising and promotion for the finance and retail businesses.

For further information or to confirm your reservations for this event, call or write: Don Acker, Security National Bank, Sixth & Pierce Sts., Sioux City, IA 51101; phone (712) 277-6632. Tickets are \$19.95.



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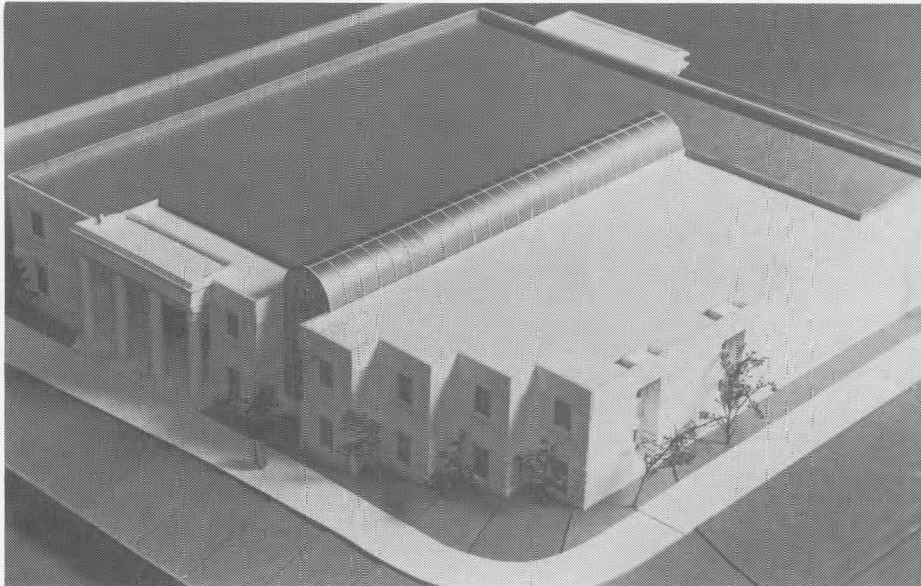


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PEOPLES Bank and Trust Company's plans for an addition to and renovation of its main bank building are shown above.

Peoples Bank Plans Expansion

PEOPLES Bank and Trust Company of Waterloo has announced plans for an addition to and a renovation of its main bank building at West Fourth Street and Washington.

Peoples Bank moved from the corner of West Fourth and Commercial into its existing facility in September of 1960, with assets totaling \$10 million. The bank was designed to accommodate growth up to \$100 million.

Through various internal redesigns and remodeling during the past several years, the bank has been able to accommodate its customers in an efficient and effective way, administering bank assets now exceeding \$160 million.

The new building, which will consist of 6,000 square feet on each of the two levels, is designed to include a unique, energy-conserving atrium connecting both floors vertically and will be topped with a glass bar-

rel vault skylight providing natural light to the bank interior.

The trust department will be located on the first or ground floor of the expanded area. Adjacent to the trust area, will be several private offices which will be used for new customer services that are currently becoming available.

The majority of the second floor of the new addition will be used to house Peoples Bankshares, Ltd., a multi-bank holding company, which owns Peoples Bank and the Parkersburg State Bank. Approval has been received from the Federal Reserve Bank of Chicago for the acquisition of the Melbourne Savings Bank and the Kellog-Sully Bank and Trust. By year end, Peoples Bankshares, Ltd., will own four banks having eleven locations in Iowa.

V.P. Named at Onawa Bank

Steven V. Johnson has been appointed vice president of the Onawa State Bank, effective Sept. 1.

Mr. Johnson was graduated from Iowa State University and has been employed by the FDIC as a bank examiner for five years, working out of the Sioux City office.

Lage Joins Postville Bank

Citizens State Bank, Postville has announced that James P. Lage, vice president and manager, First Trust and Savings Bank, Remsen, will be joining the bank's staff October 11 as executive vice president.

Mr. Lage has been with First Trust & Savings, Remsen, since 1975 and previously served as vice president at the Ravenna Bank, Neb., and several Minnesota banks.

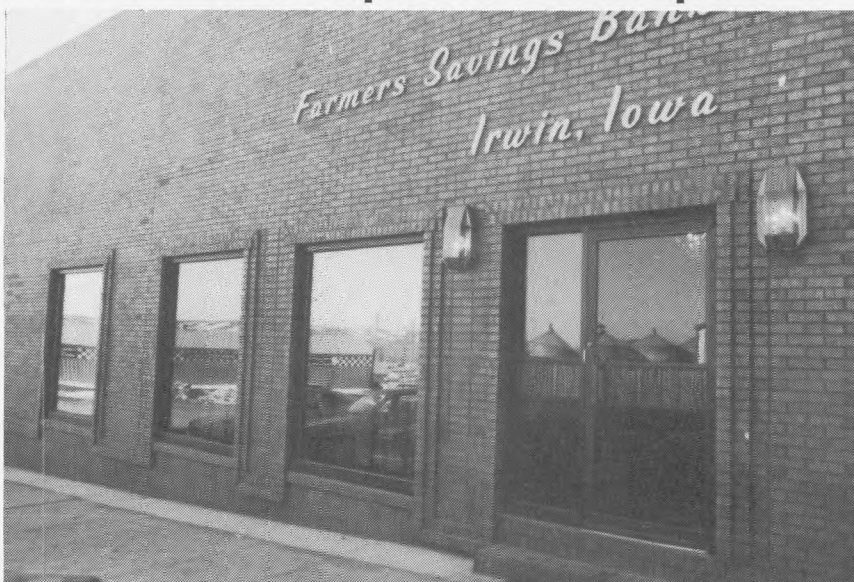
Security State, Guttenberg Staff Changes Announced

Security State Bank, Guttenberg, recently announced the following staff changes:

H.B. Tangeman, president, has been named chairman; R.H. Tangeman, vice president and cashier, has been named president; R.F. Newbern, assistant vice president, and Mary Jo Tangeman, assistant cashier, have been made vice presidents; Bonnie J. Vorwald, assistant cashier, is the new cashier, and W.H. Tangeman has been named assistant cashier.

Also at the bank, Charles F. Finc' has been elected to the board of directors.

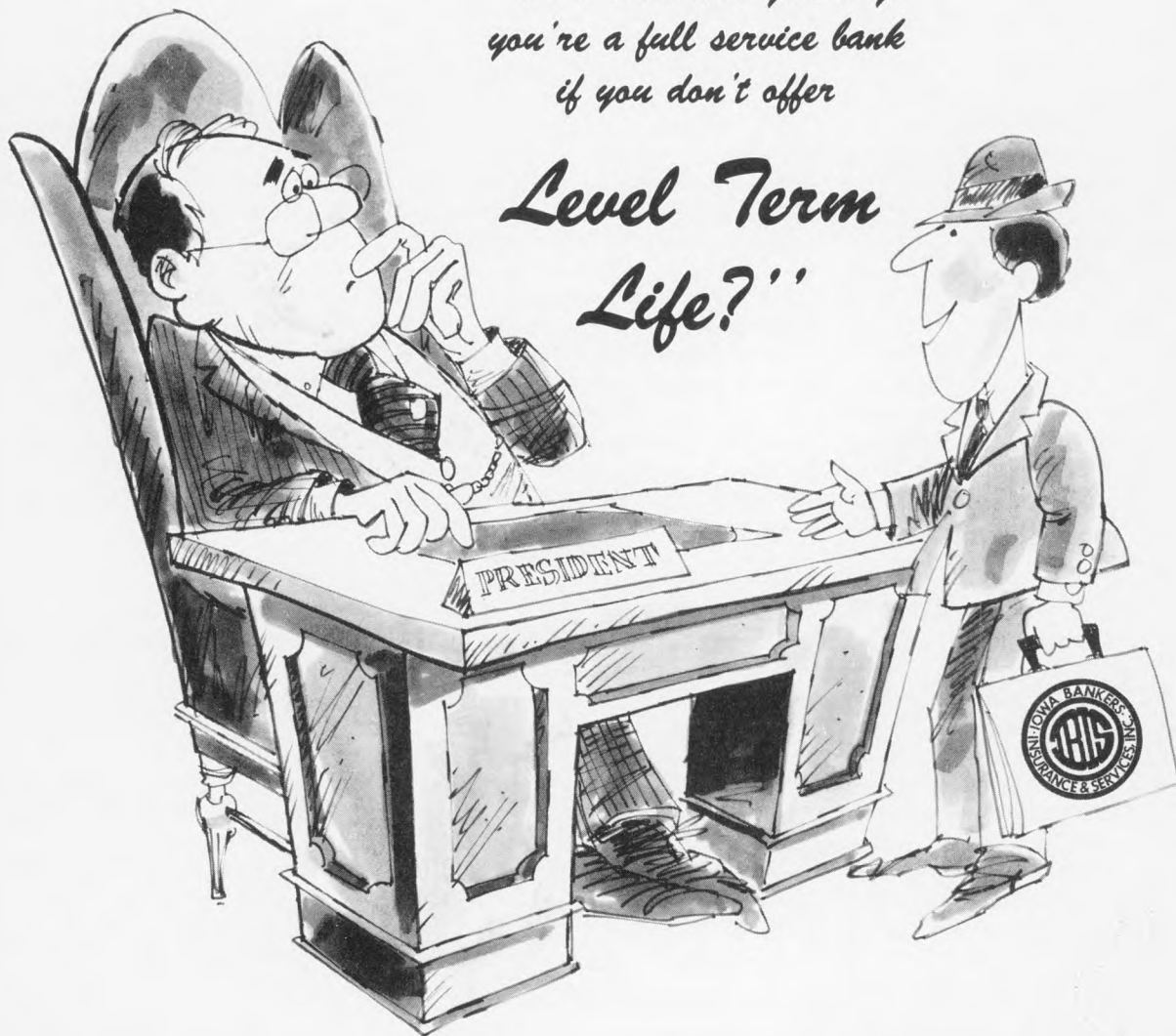
Irwin Bank Expansion Completed



CONSTRUCTION was recently completed on the expansion and remodeling of the Farmers Savings Bank, Irwin. The project nearly doubled the bank's usable space. **David Moore**, chairman, stated, "not only can we now provide the customers with privacy for their financial dealings but also a facility that has entered the computer age." Eugene Griffiths/Co., Architects and Engineers of Hastings, provided architectural services and supervision and were in charge of the interior design and furnishings.

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Women's Clubs, ABA Offer New Program

BANKERS across the nation soon will be asked by leading women from their communities to help carry out a new program called "Women: Controlling Your Financial Destiny."

The two-year program, a joint effort by the General Federation of Women's Clubs (GFWC), and the American Bankers Association, is designed to help women obtain the financial self-sufficiency and security they need and deserve.

Under the program, women will be able to turn to their local GFWC clubs and their local banker for expert advice on financial planning.

During the coming months, leaders of the more than 12,000 local clubs nationwide will be deciding how their clubs will participate in the program. Those clubs have membership of more than 600,000 women.

Juanita Bryant, International GFWC president, says local clubs will welcome the opportunity to be involved in this program.

Joseph H. Riley, chairman of the board and president, National Savings and Trust Bank, Washington, D.C., who is also chairman of the ABA Communications Council, which sponsored this program as part of its constituency efforts, stated: "An alliance with the GFWC, which has a membership of more than 600,000 women, will enable bankers to increase their service to the community and provide an opportunity for them to develop a new consumer market."

ABA will provide GFWC clubs that choose to participate with a program kit on "Women: Controlling Your Financial Destiny," Mr. Riley said. Before starting the program, the club coordinator will be asked to appoint a senior officer of a local Full Service Bank to serve as the club's Program Banker. This banker will help organize and coordinate many aspects of the program's activities, lend support to community projects and provide the club with additional resource materials and ideas.

Included in the program kit are planning materials for GFWC clubs on community-outreach activities, as well as background materials, worksheets, resource materials and reference items.

Using this information and the

expert advice from their Program Banker, club members can take an active role in effectively charting their personal financial and retirement plans - ensuring themselves economic self-sufficiency and security.

"Women: Controlling Your Financial Destiny" is a two-phase program. Phase I is designed for exclusive use within GFWC clubs. It offers resource materials and activity suggestions that will provide all members with a broad range of financial and retirement-planning knowledge and includes suggested ways to put this knowledge to work in developing a personal financial profile and planning agenda.

Phase II is designed for community use. This segment of the program is structured to allow GFWC club members to take the information they gained through participation in Phase I to other members of the community through a variety of outreach programs.

For more information on becoming a Program Banker, or on ABA constituencies building efforts, call Sharon Knight, (202) 467-4281.

To volunteer to be a Program Banker for your local GFWC club, call or write Mrs. Shelby Hamlett, GFWC Consumer Concerns Division Chairman, 5719 Club Lane, S.W., Roanoke, VA 22418, (703) 774-5979.

Automated CD Exchange Commences Operation

An automated national exchange for negotiable, federally-insured

CDs of \$100,000 began operations in September. The CDx exchange enables insured depository institutions to list by telephone in a central computer the amount of CDs they wish to sell. The exchange integrates new listings with current ones and makes them available in packages of \$1 million or more to money market funds, trusts, corporations and other investors.

Only one CD in any package is issued by any single depository institution; consequently, full FDIC or FSLIC coverage applies, according to Oakley Hunter, chairman of the CDx advisory committee. Mr. Hunter is former chairman and president of the Federal National Mortgage Association.

The New York office of State Street Bank & Trust Co., Boston, is the issuing agent for all CDx transactions. CDx was designed by Harvey Baskin & Co., a financial services firm in Washington, D.C. A State Street spokesman said when a transaction is executed, that firm "immediately transmits proceeds to the issuer through the Federal Reserve System and issues the certificate to the purchaser."

The purchaser pays no fee. Issuers pay a fee for each completed transaction of \$47 plus one basis point per maturity month.

The CDx computer can exclude CDs of any issuer or group who request such exclusion. The computer also excludes from any package a CD from an issuer whose CDs are already in the buyer's portfolio, thus preserving the fully-insured aspect for the buyer.

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