

# NORTHWESTERN *Banker*

AUGUST  
1984



South Dakota

## Dakota Bankers Elect Officers

North Dakota



Iowa Independent Bankers Officers



International  
Hail Executives  
Meet in Fargo

## • Rating the Examiners—Survey

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We reorganized to fit the changing banking world. You still need regular contact with our calling officers for bank stock financing, standard overlines and other credit services, so we left that side of our organization unchanged. But, you also needed more and more advice about the rapidly changing world of deregulated banking. And so we're giving it to you.

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our expanded correspondent department: A Multi-Bank Ownership Division, a Non-Credit Products Division and an Agriculture Production Credits Division. All of our specialty banking officers are experts in their own area *and* in correspondent banking. And that means that they, too, can operate directly with you on a regular basis, when you need them.

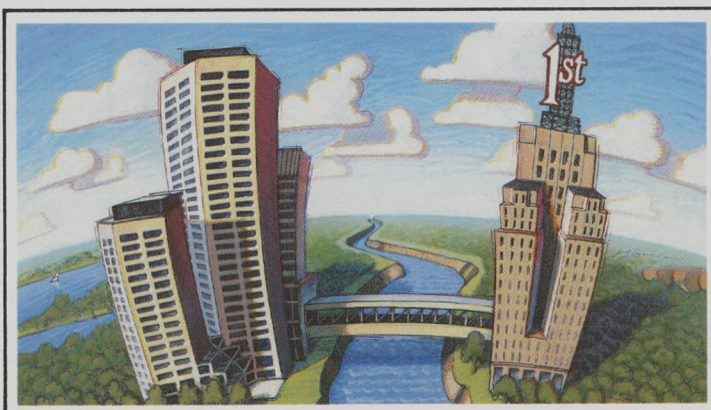
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## ON THE COVER

The big Dakota Bankers Centennial convention held at The Broadmoor in Colorado Springs, Colo., last month was a big success and concluded with election of 1984-85 officers. **South Dakota** officers (upper left on cover, left to right) are: Seated—Retiring Pres. **Charles W. Ekstrum** and new Pres. **John A. Haerter**. Standing—Pres.-Elect **Burdette C. Solum**; Vice Pres. **B. Michael Broderick** and Exec. V.P. **J.I. Milton Schwartz**. **North Dakota** officers, (upper right, left to right) are: Retiring Pres. **Darold Petersen**; new Pres. **Les O. Nesvig**; Pres.-Elect **Wm. M. Sanger**; Vice Pres.-Treas. **Harvey H. Huber**, and Exec. Dir. **Harry J. Argue**. Dakota Centennial report starts on page 25.

**Lower left**—Iowa Independent Bankers met at Lake Okoboji last month. Front row, from left: Retiring Pres. **Arnold Schultz**; new Pres. **Ned K. Job** and Vice Pres. **Larry Grimstad**. Standing—Treas. **Jock D. Stevenson**; Exec. V.P. **Dick Berglund**, and Exec. Dir. **Diane Gibbs**. Story starts on page 53.

**Lower right**—Jim Dawson, pres. of Dawson Hail Insurance Co., Fargo, N.D., hosted the annual convention of the International Hail Insurers' Assn. in Fargo recently. Front row, from left—**Rene-Marc De Beaucaron** (France), secy.-treas.; **Walter Galli** (Italy), pres., and **Mr. Dawson**, board member. Standing—**Hans Jakob Bucher** (Switzerland), **Gunnar De Verdier** (Sweden) and **Arie Groot** (Netherlands), all board members. Story on page 8.

## FEATURE

### 11 Rating the examiners!

Exclusive survey shows area bankers give high marks to examiners

## CONVENTION REPORTS

- 25 Dakota bankers celebrate Centennial
- 31 Pedersen to head Montana bankers
- 53 Ned Job is elected IIB president

## DEPARTMENTS

6 Bank Promotions	29 South Dakota	42 Omaha
17 Corporate	30 North Dakota	44 Lincoln
18 Illinois	36 Wyoming	47 Iowa
19 Wisconsin	37 Colorado	58 Des Moines
21 Minnesota	41 Nebraska	61 Index of Advertisers
22 Twin Cities		

## NORTHWESTERN BANKER

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**Publisher & Editor** Ben Haller, Jr. **Associate Publisher** Steve Burch **Associate Editor** Becky McBurney **Consultant** Malcolm K. Freeland

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## Doris Payne Named NABW Executive Manager

Doris Payne, former senior staffer of the Chicago Public School System, is the new executive manager of NABW reporting to Phyllis Haeger. She will be responsible for coordinating the activities of staff members who head up administration, education/research, public affairs, communications/marketing, and convention/meeting service departments. NABW now totals over 30,000 women banking and financial executives.



D.A. PAYNE

The new NABW executive manager most recently served as special assistant to Dr. Ruth Love, general superintendent of the Chicago Public Schools. She was responsible for corporate public relations and information programs for the school system.

Previously, Ms. Payne served as director of public information and publications for the Oakland, Cal. School District, which was also under the direction of Dr. Love. She was one of three aides Dr. Love took with her when she assumed the Chicago post.

## BMA Names New Officers

The Bank Marketing Association has announced its 1984-85 slate of officers and five new members of its Board of Directors.

To be installed at the Association's 69th annual convention Sept. 16-19 in New Orleans are Smith W. Brookhart III, president and chief executive officer, Centerre Bank of Branson, Mo., president; John A. Russell, vice president and director of marketing, Banc One Corporation, Columbus, first vice president; and Michael P. Sullivan, vice president-corporate communications, First Union National Bank, Charlotte, N.C., second vice president.

BMA's current president, Barry I. Deutsch, senior vice president, Mellon Bank, Pittsburgh, will serve on the board of directors and executive committee as immediate past president.



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## Bank Promotions

**P**ROMOTIONS and other announcements have been made by the following banks and banking firms:

**Cole-Taylor Financial Group, Inc., Chicago:** Gordon B. Benkler has joined the bank holding company as a senior vice president, product development manager, it was announced recently by Frank E. Bauder, president. Mr. Benkler previously was with Continental Bank. He received his B.S. degree from Knox College in Galesburg, Ill., and his MA and MBA from the University of Chicago.

Leo A. Knowles has joined the firm as corporate controller. He was previously senior vice president and controller of General Finance Corporation. Mr. Knowles is a CPA, has an undergraduate degree from Northwestern University and a graduate degree from DePaul University.

**Commerce Bancshares, Inc., Kansas City:** A. Bayard Clark has been

elected executive vice president and Gary L. Callaway has been elected senior vice president.

Mr. Clark had been executive vice president of Commerce Bank of St. Louis since 1980. He joined the Commerce system in 1976 and has 12 years of banking experience. He has a law degree from St. Louis University.

Mr. Callaway had been a vice president with the company since 1983 and prior to that was president of the Commerce Bank of Joplin since 1979.

**CharterBank of Kansas City:** Four promotions have been announced: Michele M. Snyder to vice president; Michael D. Evans to assistant vice president, and Gayle M. Farley and Michael J. Helak to assistant cashier.

**Northern Trust Company, Chicago:** Directors announced the following official changes:

To vice president: Arnold G.

Haiser, David L. O'Brien, John J. Romansic and Thomas J. Pfenning, commercial banking-operations group; Thomas H. Lueck, corporate administration-legal and corporate affairs.

To second vice president: Mary Jo Reynoldson, trust and financial services-private banking, and Mike N. Alex, trust and financial services-corporate financial services.

The board also approved these appointments from outside the bank:

To vice president: In trust and financial services, Ross A. Williams, investment management; Michael V. Smith, personal trust, and Gary A. Langbaum, investment research.

To second vice president: In trust and financial services, Ronald J. Chapman and Maura Murrihy, investment research; Darl J. Leman and Maxwell K. Hickman, TNT Agricultural Services, Inc.

**United Missouri Bank-Kansas City:** One promotion and two officer elections have been announced in the trust department.

Mark Allison was promoted to trust investment officer, with primary responsibility for investment counseling and advice for the perso-

# Discount bro



nal trust division. Before joining UMB-KC in 1982 he was affiliated with B.C. Christopher & Co. and the investors services department of Farmland Industries. He holds a BA degree from the University of Kansas and an MBA from the University of Texas in 1976.

Richard A. Caspermeyer and Linda M. Norris have been elected assistant trust officers in the personal trust division.

**Wells Fargo & Company, San Francisco:** Paul Hazen was elected president and chief operating officer of the holding company and its major subsidiary, Wells Fargo Bank, N.A. Mr. Hazen, 42, has been vice chairman of Wells Fargo since June, 1981. Carl E. Reichardt, who has been president since March, 1978, will continue to hold his other positions as chairman and CEO.

### **Sallie Mae Seeks Bank Charter in North Carolina**

The Student Loan Marketing Association (Sallie Mae) announced recently it has submitted formal application to charter a new bank in Raleigh, N.C.

In its request for a de novo char-

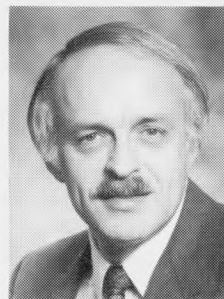
ter for First Capital Bank, Sallie Mae said the new institution would specialize in investment and liability products related to education credit. Initial capital would total \$6 million.

Last January, in announcing the establishment of a new business development group, Sallie Mae indicated its intention to develop new credit plans and appropriate delivery systems, including the possibility of acquiring or chartering a financial institution.

### **New Cedar Rapids Firm Specializes in Software**

Joe Phernetton, president, and Robert Duff, executive vice president, have announced the formation of Microcom, Inc. in Cedar Rapids, Ia. The company will specialize in microcomputer software for the financial industry.

Mr. Phernetton, formerly president of Banks of Iowa Computer Services and most recently executive vice president of First Interstate Bank of Denver, said the company was established to provide better microcomputer software to the financial community. "The lack of total commitment by suppliers in today's software market has long been



**J.F. PHERNETTON**



**R.F. DUFF**

a deterrent to banks in utilizing their micro systems to the fullest extent," he explained. "Our goal, therefore, is to not only sell the software, but to provide full training and installation, as well as on-going education and support."

Microcom's staff will be directed by Mr. Duff, who has had over 10 years of experience in sales and marketing to the financial industry. "Our ability to represent multiple software developers enables us to market the best products available," said Mr. Duff.

Mr. Duff was associated previously with Deluxe Check Printers, Inc., for 10 years, serving Nebraska customers five years before moving to Iowa, where he worked for Deluxe the past five years. He is a graduate of Buena Vista College, Storm Lake.

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**AFTER** attending workshop sessions like the one above, visiting members of the International Hail Insurers' Assn. toured research plots and Red River Valley farms near Fargo, N.D.

## Jim Dawson Hosts World Hail Insurers

**I**T WAS a whirlwind week for 17 members of the International Association of Hail Insurers who came to Fargo, N.D., for a crop insurance workshop, June 15-22.

Besides the United States, countries represented at the meeting were Canada, Sweden, France, Switzerland, Italy, the Netherlands, Australia, England and Germany.

The IAHI members, some accompanied by their wives, were hosted by Jim Dawson, president of Dawson Hail Insurance Co., Fargo, which serves hundreds of banks in the upper midwest.

Among many other activities, the group toured several of the Red River Valley's largest, most modern farms and, at North Dakota State

University, they inspected research plots and attended crop workshops on simulated hail research.

Executive meetings of the National Crop Insurance Association, the Crop Hail Insurance Actuarial Association, and the American Association of Crop Insurers were held in conjunction with the workshop.

Workshops at the convention included an overview of how the huge United States crop program is administered. The handling of hail insurance applications, adjusting and processing of losses, policy coverage, record-keeping, compilation of rating statistics, and other information related to hail insurance was explained in detail by members of Dawson's staff and crop insurance experts from throughout the United States.

During their stay in Fargo, the international visitors were entertained at a round of luncheons and dinners and took part in swimming, boating and social events — including a Hawaiian luau and a powwow with American Indian tribes from five states.

According to Mr. Dawson, the foreign delegation commented favorably on the friendliness and informality of the people in the Red River Valley and were impressed by the area's flatness, rich black soil and the size of the farms.

Mr. Dawson is the only American ever to serve on the board of directors of the International Association of Hail Insurers. The organization, headquartered in Zurich, Switzerland, represents 140 insurance companies in 25 nations.

Mr. Dawson said he will attend this October's IAHI board meeting in Marrakesh, Morocco, and a number of Americans will attend the group's next International Hail Congress, to be held during October 1985 in Amsterdam, Netherlands.

## InnerLine, BMA Announce 'Bank Marketing Exchange'

InnerLine, the first comprehensive computer-based management support system for the financial services industry, has joined forces with the Chicago-based Bank Marketing Association to launch "Marketing Information Exchange," a new service that will provide InnerLine subscribers with an open forum



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for questions pertaining to bank marketing.

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#### **Northern Trust Plans Trust Co. in Winnetka**

Northern Trust Corporation has filed applications with the Illinois Commissioner of Banks and the Federal Reserve to establish a subsidiary, independent de novo trust company, The Northern Trust Company of Illinois, at 62 Green Bay Road in Winnetka, Ill.

John C. Goodall, Jr., a vice president in trust and financial services at The Northern Trust Company in Chicago, will be president of the new trust company.

#### **Two Missouri H.C. Leaders Plan Merger**

Donald N. Brandin, chairman and chief executive officer of Boatmen's Bancshares, Inc., St. Louis, and Gordon E. Wells, chairman and chief executive officer of CharterCorp, Kansas City, jointly announced last month an agreement in principle providing for the acquisition of CharterCorp by Boatmen's Bancshares, Inc. via statutory merger.

The merger would create the largest commercial banking organization in Missouri with 45 subsidiary banks, operating in 99 locations, with total assets in excess of \$6 billion.

#### **FDIC Adopts Reporting Rule on Brokered Deposits**

The FDIC has adopted an interim final regulation mandating monthly reports on excess brokered deposits in FDIC-insured banks. The interim rule is being published for 60 days public comment, but the first reports must be filed by August 10 for brokered deposit totals at the end of July.

The new rule requires monthly reports from banks with combined brokered deposits and fully insured deposits of financial institutions in excess of either the bank's total capital and reserves, or five percent of the bank's total deposits.

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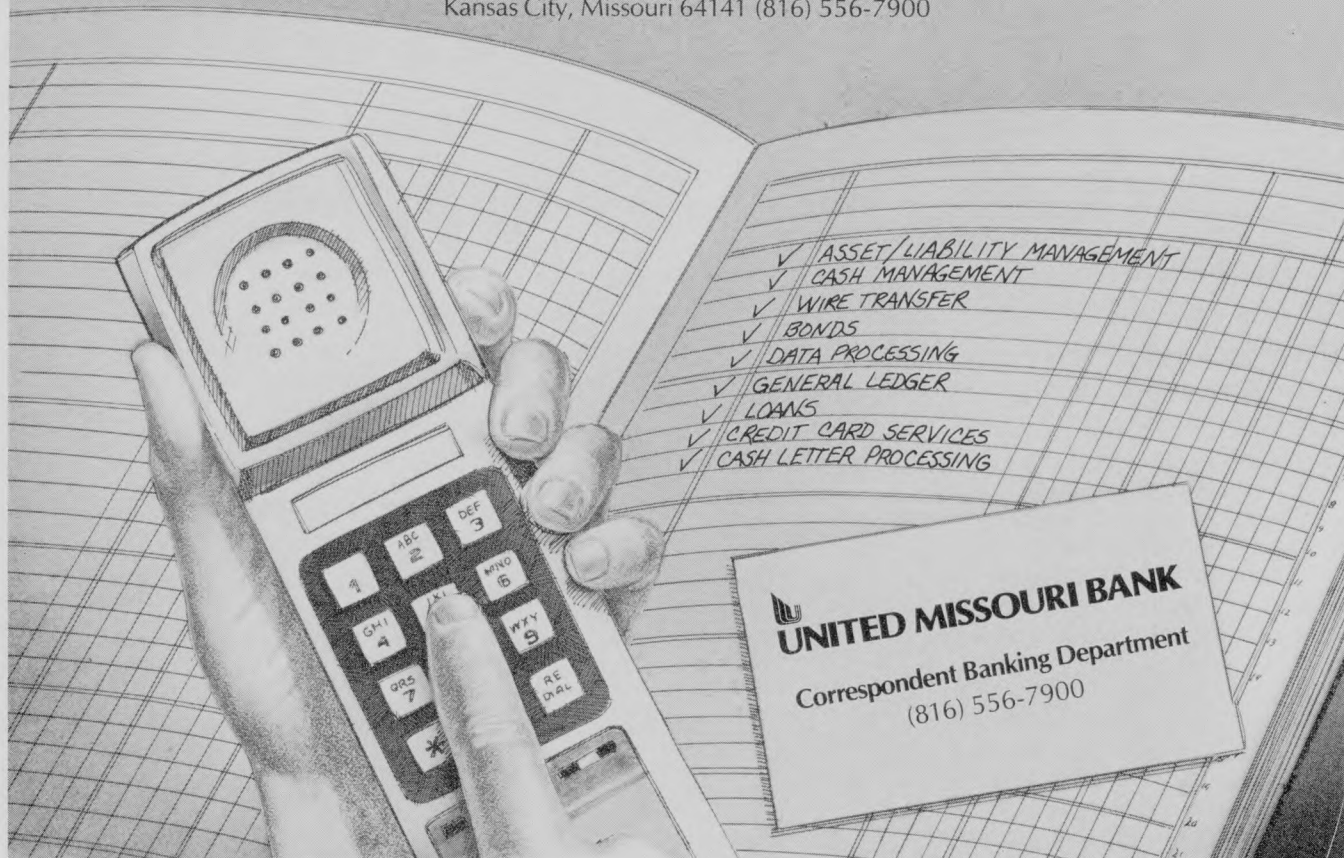
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# How bankers rate the examiners!

A NORTHWESTERN BANKER Survey

**J**UST OVER one-half (51%) of all bankers who responded to a recent NORTHWESTERN BANKER survey, "Rating the Examiners," gave state and federal examiners high ratings on their job skills. The survey was conducted among banks in 10 upper midwest and mountain states.

That endorsement of job performance by examiners during the most difficult period for banks in decades is emphasized even further when it is noted that almost three-fourths of responding bankers rated examiners in the upper half of the scale. They were asked to rate their examiners on a scale of 1 to 10, with 10 being the best rating, and 51% gave them a rating of 8, 9 or 10, and 78% rated them from 6 to 10. (Charts No. 6 and 6A.)

A further analysis by type of examiner shows that for all replies received, state examiners got the highest marks, with national examiners second and FDIC ranked third. National banks accounted for 22% of the survey replies and state chartered banks accounted for 78% of the replies.

In their rating of examiners on the 1 to 10 scale, 54% of nationally chartered banks rated their examiners as 8, 9 or 10. State chartered banks rated 56% of state examiners and 45% of FDIC examiners in the 8, 9 or 10 bracket. (Chart No. 6.) When the ratings are expanded to include 6 to 10 on the scale, national examiners received 82% of the votes of national banks, the FDIC had 69% of its examiners ranked in the upper half bracket, and state examiners trailed at 66%.

The problems with agricultural loans in the midwest have been well documented and publicized. Weak market prices, continuing high input costs, high inflation of several years ago followed by rapid dis-inflation that left a legacy of high interest rates, declining land values, weather disasters, and the Carter Administration grain embargo against Rus-

sia that sparked a decline in exports, all have combined to trap farmers in a chain of events that is forcing many from the land, bringing others to the edge of bankruptcy and allowing very few to even make a decent living. All of these circumstances bear heavily on ag-oriented rural banks who are sustaining the highest write-offs since the Depression of the early 1930s.

While rural and city banks alike are struggling to cope with non-performing and delayed payment loans, customer bankruptcies, and even bank failures, the examiners must assume the role of the legendary messenger with bad news. However, throughout this survey it is evident that most bankers recognize the tough job examiners face. This is not to say that bankers do not have criticism of their examiners. Some severe complaints and barbed remarks are contained in comments that were entered on some of the returned questionnaires.

One Nebraska banker who has both national and state chartered banks said, "I really like having the examiners come in our banks because they bring a fresh, outside viewpoint to the numbers and situations that we are so close to. They give me a professional outside look at how well we're doing—not just on

our own but compared to our peer group."

An Iowa banker expressed similar feelings when he voiced concern that his banks had not been examined in nearly two years. "We're paying for these exams and I want their impartial assessment of how things are inside our banks."

Here are the responses to individual questions, along with a few of the comments offered.

## Question 1

**Has your bank been under any criticism by regulators in the past 18 months in regard to agri loans?**  
No \_\_\_\_\_ Mildly \_\_\_\_\_ Very Critical \_\_\_\_\_

Chart No. 1 shows that among all respondents, 48% say they have received mild criticism on ag loans and 21% have received "Very Critical" write-ups on their ag loans, for a total of 69% criticism. The other 31% of respondents said they had not been criticized on ag loans, and some of those banks make few or no ag loans.

Iowa led all 10 states with a total of 75% of ag loans criticized, but most noticeable was its 23.6% who said they had received "Very Critical" comments from examiners. The latter category compares to 8.3% for Nebraska, 15% for Minnesota, 30% for South Dakota and 42% for North Dakota.

## Question 1A

**Do you feel this criticism was:**  
Justified \_\_\_\_\_ Unjustified \_\_\_\_\_  
Why?

Chart No. 1A shows that 59% acknowledge that the criticism outlined in Question 1 above was "Justified," while only 10% said it was "Unjustified," and 31% withheld judgment.

Iowa bankers gave far greater support and endorsement to their state banking department than any of the other states. In Iowa, for example, 67% of the responding CEOs agreed with examiner criticism of ag loans

Chart 1

"Has your bank been under any criticism by regulators in the past 18 months in regard to agri loans? No \_\_\_\_\_ Mildly \_\_\_\_\_ Very Critical \_\_\_\_\_"

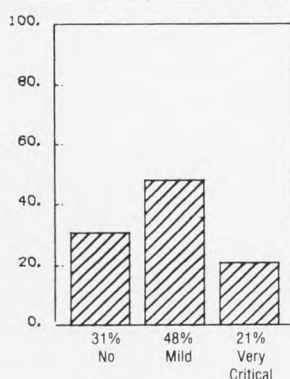
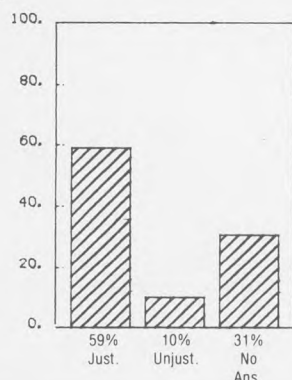




Chart No. 1A

"Do you feel this criticism was: Justified, Unjustified?"



by saying it was "Justified." There were 11% in Iowa who stated the criticism was "Unjustified," and 22% of Iowa respondents chose not to complete this statement. In Nebraska, 62% said the criticism was "Justified," only 8% tabbed it as "Unjustified," and 30% did not answer the question. The vote in Minnesota was 45% "Justified," while 12% said "Unjustified," and 43% did not give an answer. Other states were at or below these percentage levels for "Justified."

Typical of comments from those who said criticism was "Justified" was this:

**Iowa (state):** "The farm economy has been in a downturn the past few years and our bank has many lines that are becoming marginal credit risks. Our classification is a reflection of the economy in general."

From bankers who said criticism was "Unjustified," here are a few comments:

**Iowa (state):** "On several lines that have had problems in the past, but are now adequately secured by collateral, or have sound co-signers and have met at least some reduction of principal, we feel prejudice has been shown by 100% classification of the whole line. Statements were made such as get rid of them, sell them out, or as long as they are on your books they will be classified." (This concerned state examiners, who were ranked only 1 on the 1 to 10 scale, with FDIC an 8.)

**Eastern Iowa:** (Unjustified) "Because most of these lines were written for the first time just because of a bad crop year in 1983. These are long time lines of credit in our bank and most have good equity in real estate. Examiners don't understand ag lines, in my opinion." (State ex-

aminers ranked 3 on the scale and FDIC as 8.)

**Nebraska (state):** "Bank loan officers were given no opportunity to inject their thoughts on loan lines. A list of classifications was handed to us prior to a loan review. Guaranteed lines of credit were classified 'substandard' with no consideration to the guarantees, which were adequate guarantees."

**Nebraska (national):** "They give no consideration to collateral which controls loss—obviously, cash flow is not great last few years."

**Minnesota (national):** "Examination criteria has changed so dramatically in the past two years. We have not had previous criticism of ag loans."

**Wisconsin (state):** "FDIC exam in April, 1983 missed documentation on meaning on one large farm loan which resulted in classification. State exam six months later did not classify the loan."

### Question 2

So far as agri lending is concerned, do you feel your bank examiners are: Adequately Trained \_\_\_\_\_ Inadequately Trained \_\_\_\_\_

Despite the criticism of examiners as noted above, 70% of bankers responding said they feel their examiners are "Adequately Trained" in ag lending, 24% say they are "Inadequately Trained," 1% gave a qualified approval and 5% gave no answer. (Chart No. 2.)

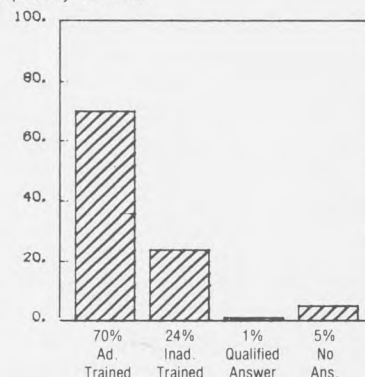
Again, the highest mark given for being "Adequately Trained" in ag lending was from Iowa bankers. Despite a sometimes critical stance of their examiners, they gave a vote of 85% to them for being "Adequately Trained." The vote for state examiners was 87% and for national examiners 71%. Their total vote and the one for state examiners was the highest for any of the states reporting.

By comparison, Nebraska bankers gave a 64% approval to examiners for being "Adequately Trained," but only 54% gave this approval to state examiners, while 83% of national banks did so. The reverse was true in Minnesota where state examiners received a 67% endorsement for being "Adequately Trained," but national examiners rated only 41% for a state total of 57%. In Minnesota, 47% of national banks responding said they think their national examiners are "Inadequately Trained."

The voting took the same trend in the Dakotas, which are in the same national examining area as Minnesota. In South Dakota, 83% of responding state banks endorsed their examiners as "Adequately Trained," but that figure dropped to 60% for national banks, and 40% stated they feel their national examiners are "Inadequately Trained." In North Dakota, the vote was 75% favoring state examiners as "Adequately Trained," while all responding said their national examiners are "Inadequately Trained." One national banker voted both ways, stipulating that the senior examiner in charge was very competent but his new staff was untrained.

Chart No. 2

"So far as agri lending is concerned, do you feel your bank examiners are: Adequately Trained, Inadequately Trained?"



Comment received on this question was typical. Most who were satisfied with the training of their examiners merely checked the appropriate space. Those who had strong feelings about their lack of training took time to explain why, although a larger number than usual who were satisfied *did* take time to write a short message expressing their support, such as this note from a northeast Nebraska state chartered bank: "We had a very good group of state examiners. They were tougher than usual but very receptive to talk about loans that are a little heavy. They know we have had tough times and talked about them, but were very lenient in setting up loans on the report. They were very justified in what they did and worked well with our bank."

Here is a random sample of comment from dissatisfied bankers:

**Nebraska (state, panhandle):** "Not strict enough; not like they were in the 30s, 40s, or 50s."



**Nebraska (state and FDIC):** "I feel that examiners today, who are not bankers, are merely auditors. They give consideration purely to the dollars and cents shown on a financial statement. Performance seems to have meant nothing in one case. Debt reduction for four years was shown on one line and the line was classified 'substandard' because the bank's short-term portion had not been decreased. Examination was performed during the high point of the borrowing season, with loans at a maximum and ratios at their worst. This is row-crop farm area, with little or no livestock to create current assets."

**Minnesota (national bank that checked Adequately Trained and also had received Very Critical review of ag loans that was said to be Unjustified):** Top echelons have dictated their actions on classifications and if they didn't comply, they were sent back."

**Minnesota (national):** "Most of the young ones border on incompetency."

**Minnesota (national):** "Examiners seem to be putting far less emphasis on the credit portion of the examination. Since this is their posture, it is obvious that they are not training the personnel in this area."

**Illinois (state):** "They don't know that tractors don't have certificates of title. They do not understand UCC. They are more interested in technical exceptions than the underlying strengths and need of the ag-borrower."

**Wisconsin (state):** "I have always contended that every examination team, whether state or FDIC, should have a representative on their team with a sound training in agriculture. This means formal education in an Agricultural College and at least five years of ag lending in a lending institution. With the size of the loans in our ag community today and the damage a classified loan can do to a bank today, we would like to see a real expert in farm management and training on the examiner staff."

**Iowa (state, eastern Iowa):** "The state examiners have a good understanding of the farm borrowers and the senior examiner has an extensive agricultural background. The junior examiners have good analytical skills but lack experience. The FDIC examiners don't offer a lot and only look at our watch list."

**Iowa (national—southern Iowa):** "Each year we see a new crew, fresh from college. This year, the examiner who led the loan review grew up 50 miles from New York City. Most of the good examiners have left to go to work for banks, etc.; the duds are left. In seven years I have seen only one person more than once."

### Question 3

**Has your bank been under any criticism by regulators in the past 18 months in regard to other than agri loans? No \_\_\_\_\_ Mildly \_\_\_\_\_ Very Critical \_\_\_\_\_.**

On advice of bankers who helped prepare the survey questions, this question was asked to determine if there is any distinct difference between the way examiners are looking at ag loans and other loans. The tabulated results show there is not a great deal of difference, although every state reports slightly smaller numbers of banks having received "Mild" or "Very Critical" reviews on loans other than for ag purposes.

Chart No. 3

"Has your bank been under any criticism by regulators in the past 18 months in regards to other than ag loans?"

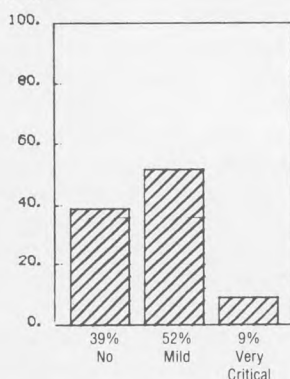
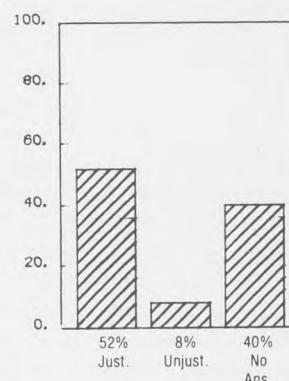


Chart No. 3 shows that overall, 52% of responding banks said they had received "Mild" criticism on other-than-ag loans, and 9% had "Critical" comments. This compares to 48% "Mild" and 21% "Very Critical" on ag loans. Also, 39% of respondents said they had no criticism on other-than-ag loans, compared to 31% no criticism on ag loans.

Also, banker judgment as to whether this criticism is "Justified" or "Unjustified" is fairly close to that reported above on ag criticism. On other-than-ag loans (Chart No. 3A), 53% of respondents said it was "Justified," 6% said it was "Unjustified," and 41% expressed no opinion on the subject. For ag loans

Chart No. 3A

"Do you feel this criticism was: Justified, Unjustified?"



those figures were 59% "Justified," 11% "Unjustified," and 30% no comment.

### Question 4

**Do you think your bank examiners have understood the nature of current farm loan problems and have used "forbearance" in assessing these loans? Yes \_\_\_\_\_ No \_\_\_\_\_.**

Chart No. 4 reports 60% of respondents said "Yes," 30% said "No," and 10% did not vote. National bank examiners rated "No" on this question far more frequently than state examiners. Overall, the "Yes" votes ranged from 53% (South Dakota) to 67% (North Dakota) for all states, with the exception of Illinois where examiners received only a 40% "Yes" vote.

Iowa, Nebraska and Minnesota were 61%, 61% and 58%, respectively. In each of these states, the national examiners got more "No" votes than state examiners—Iowa 41%, Nebraska 33%, Minnesota 41%.

A number of bankers who voted "Yes" on this question wrote a brief comment in a very similar vein to this one received from a Nebraska banker: "How can my bank be examined honestly according to necessary examination standards that will assure my customers and stockholders of its safety and soundness, and still exercise 'forbearance' in the sense of overlooking what are truly classified loans? I know I have a few problems with some selected farm customers and so do those customers. We're trying to set up plans for them to work out of it. If, in the meantime, those loans technically must be classified, then that reflects the true condition at the time of the exam. I guess it all depends on what the definition is for the term 'for-

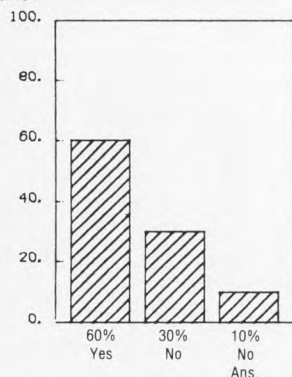


bearance.' Our examiners understand our problem and the problem of the individual customers. I want their independent analysis of the way things stand."

Similarly, an experienced Iowa banker (state charter), running a \$30 million bank stated: "We were examined a month ago. We have a half dozen ag lines that we have set up 'work-out' programs for. The examiners accepted our programs and did not request any loans to be charged off." This sentiment is echoed by another Iowa president of an \$8 million state bank: "We are not kidding anybody but ourselves if we dismiss the examiners' criticism. They are just trying to help us run a better bank." And another Iowa president says, "I hope they haven't been too forgiving. They must examine and classify loans as they are, regardless of the economy. They aren't being paid to bet on the economy."

Chart No. 4

"Do you think that your bank examiners have understood the nature of current farm loan problems and have used 'forbearance' in assessing these loans?"



On the other side of the question, a southern Iowa president of a state bank replied: "Examiners seem to question our best judgments as to values, and whether or not cash flow has been properly completed. Again, if they would use some 'forbearance' in allowing us time to restructure and await, for instance, disaster funds instead of making us close everyone out it would be of great help."

Also, an Iowa president of a northwest state bank said: "The last exam we had there was a definite 'tough-guy' approach and the opinion that 'I am the examiner and I know what I say goes.' Very little cooperation regarding listening to our side of the loan situation. We had a display of egotism unmatched in recent years and they wanted us

to know they were boss and they were being told from above to crack down and be tough and that we better abide by what they told us."

The president of a Nebraska \$12 million bank stated: "This bank functioned as most other financial institutions as an asset lender. When it suddenly became obvious that we needed to cash flow every loan, many loan customers were already leveraged. Only with time will some of their ratios become favorable. Sad but true, many of these farmers will not survive the high interest rates which we passed through and are still with us at a lesser degree. It was a lender-created problem, aided by easily obtained credit from any sector, whether Federal Land Bank, Production Credit Association, Farmers Home Administration, the private insurance lending sector, machinery companies—we all contributed to easy credit which caught up when inflation stopped and interest rates rose. We can change our lending practices but it takes time for the farmers to correct the practice of loan leveraging. I don't feel examiners have any intention of working with the banks to save their customers, but by heavy criticism will force banks to take drastic steps of foreclosure and loan restrictions to clean up their classified paper.

Nebraska (national): "We are on top of our credits; workout situations were already in place, but no credit given to us. They (examiners) are not farm specialists as they believe they are."

The rest of the critical comments were in the same vein as the above, centering primarily on two points: 1. Their examiners have little knowledge and/or interest in the ag business. 2. Collateral no longer has a place in lending—all ag loans geared to cash flow and if cash flow doesn't pay them off in one year, they're classified.

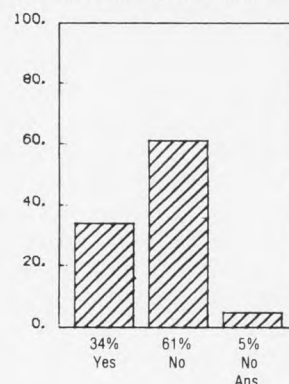
#### Question 5

Do you feel your examinations have been more severe since the Penn Square failure? Yes \_\_\_\_\_ No \_\_\_\_\_

Only one-third (34%) of respondents said "Yes" to this question, while 61% said "No," and only 5% failed to answer the question (Chart No. 5). National banks voted more strongly in the "Yes" column, indicating that national policies apparently toughened nationwide after

Chart No. 5

"Do you feel your examinations have been more severe since the Penn Square failure?"



Penn Square; whereas, state policies were set individually.

#### Question 6

Have you ever been contacted in advance of an examination by a bank examiner? Yes \_\_\_\_\_ No \_\_\_\_\_

A number of national banks took time to note here that it is standard procedure for national examiners to call them in advance and ask that certain records or documents be made available for inspection. Other than that, there was no advance contact reported.

#### Question 7

Have you or your board felt pressure in any way from an examiner looking either for employment or wanting to buy your bank? Yes \_\_\_\_\_ No \_\_\_\_\_

A handful had job applications occasionally from examiners tired of being on the road—none at the time of the examination, and no application had any connection with an exam or treatment of a report.

#### Question 8

What do you like most and what do you like least about your bank examiners?

This type of open-ended question, requested by the bankers who helped draw up the questionnaire, always will draw much comment, and provides an opportunity to blow off steam. It should be noted again that many bankers took the time to write complimentary and supportive comments about the job their examiners are doing. Their trend becomes repetitive, but it is well to point out here that a number of bankers took great pains to state that they had been treated very professionally, they felt the examiners were well educated and trained, understood



## •“We appreciate suggestions for improving our operations and our profits. We do not like the ‘adversary’ relationship.”

the needs and problems of banking, and offered a fresh, outside look that is beneficial to managing the bank.

In addition, many noted, they can offer comparisons with peer banks without revealing confidential information, and add to that suggestions that come from their visits with other bankers who might have an improved way of doing or approaching a job. Only a few of the “like most” and “like least” comments are reported here to give a cross-sampling of replies:

**Montana (state):** “Help to spot weakness in maintaining compliance with various regulations. Suggestions as to completeness of documentation. Spotting bad habits or carelessness in various areas.” (Same bank—like least): “Unwillingness to consider differences in operations of large banks and small community banks.”

**Wisconsin (state):** “Keeping abreast of current legislative actions in regard to bank regulations. Current and unbiased opinion for our loan portfolio. Keep employees in check for balancing of accounts. (Like least) Pressure. Use of audits outside or otherwise.”

**North Dakota (state):** “Examinations are helpful. They keep management abreast of requirements and one can always learn something. Others can see our faults better than we can. (Like least) I would prefer one type of examination (FDIC) by good, qualified people. Why pay two different regulators?”

**South Dakota (national):** (Like most) “When the exam is over and they all leave. I used to like examinations in the past and could get some questions answered regarding some regulators. We generally knew who our classified loans were, so far as I was concerned. I welcomed the examiners and almost always benefitted from their visits. Those statements are not true today. (Like least) The seemingly growing attitude that we are a bunch of ignorant people working with even more ignorant customers. A very small percentage of these examiners have ever faced any financial hardship or the real world. Most of them have taken these jobs right out of college, make a good salary, and don’t have to face the consequences when they

make a mistake in judgment.” (Rated national examiners 4 on the scale of 1 to 10.)

**South Dakota (state):** “They will listen to our reasoning in staying with a particular customer. Some of them give the impression they are here to help. (Like least) Once they have made up their mind to criticize a loan, all the talking in the world isn’t going to change their mind. They are becoming IRS agents and spend too much time going over our tax situation rather than our loans.”

**Illinois (state):** “We like them best when they try not to interfere any more than possible in our daily routine. After all, we can’t just shut down the bank and devote all of our time to them. We appreciate suggestions for improving our operations and profits. (Like least) We do not like the ‘adversary’ relationship that often exists. We do not like it when they put pressure on us to do extra things that are not cost effective. We need to operate as ‘lean’ as possible and these extra procedures, etc., require more labor and it’s not the kind of labor you can get by paying the minimum wage!”

**Minnesota (national):** “I think they are trying hard but examination staffs are generally too young and inexperienced to handle today’s complex problems. Most are just out of school and come from metropolitan settings. (Like least) The immense amount of time used by both our people in preparing information for exams, and the amount of time they spend in our bank.”

**Minnesota (national):** “They have been courteous, polite, helpful and fair. Some give you the feeling you are hiding something, or they need to find an area where you aren’t doing a good job to complete their report.”

One frustrated **Minnesota (national)** banker, who rated his examiners 2 on the scale, answered this question about “like most” and “like least” by merely stating—“nothing” to the first point and “everything” to the second. Another, who also referred to the former good exams the bank had been accustomed to having, said national examiners today “Have a lack of understanding of local situations, especially agriculture!”

Emphasis among so many **Minnesota** national bankers was on the fact that national examiners there stress strict adherence to compliance rules, but “pay too little attention to the quality of the loan portfolio,” as one \$35 million bank president noted. “This should be their major emphasis, since this is where most small banks can get hurt the most. Also, some examiners have become very arrogant.”

Frustration hit this **Minnesota (state)** banker, also, when he wrote: “All they know is theory. They have never been on the other side of the desk. Don’t understand that we work from 8 a.m. to 5 p.m., evenings and weekends and sometimes it takes several hours just to go through mail. They complain about our files, which could use some work, but when they leave, our notes are like a tornado hit them. Cockiness and inexperience of new young examiners. Having to tell new examiners the same things year after year. Tell you one thing and write up another. Verbal and written reports don’t agree. Seems like they have to find something wrong, even if there isn’t anything.” (State examiners rated 4, FDIC examiners 6.)

**Nebraska (western, national):** “Seem to be well qualified, knowledgeable and, to a degree, helpful with interpreting regulations. The senior examiner is very egotistical.”

**Nebraska (state):** “Overall, very fair on recent exams. One very unfair FDIC exam a couple of years ago. They play God. Have a lack of personal knowledge of customer but, in turn, their objectiveness is sometimes helpful.”

**Nebraska (state, central):** “Loan portfolio reviews with both state and FDIC are usually helpful, but I find they don’t always have any solution. The FDIC is too picky about Truth-in-Lending compliance. I feel they should have better things to do than ‘nit-pick.’ Some examiners (particularly FDIC) don’t have much personality and a few are a little ‘cocky.’”

**Nebraska (state, northeast):** “Their opinion, whether I agree or not. A new light on our operations and, perhaps, some sound advice. (Like least) The time they spend drinking coffee and smoking. Get

the facts and get out of the bank building. Do their summary somewhere else."

**Iowa (national, southwest):** "Repeat examiners (one in particular) seem to have a vindictive attitude."

**Iowa (national, southern):** (Like most) "When they leave! In years past they would help improve the operation with new ideas, things you did right. We continue to be amazed at the 20/20 hindsight of the examiners. The final collapse of farmers will be caused by examiners. When exams are done they seem to understand the problems. When the written report comes, you wonder why the doors are still open."

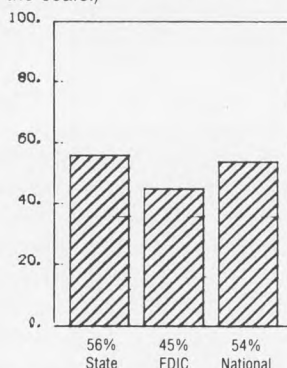
**Iowa (state, eastern):** "State examiners are very competent and understanding. They don't overlook regulations, but construe them in a reasonable and practical manner without neglecting the ultimate intent. In 30 years, I have never felt a state examiner in charge was not very competent, although I don't always agree with them. FDIC examiners are mostly capable, but they get hyper about their regulations—often, they can't explain fully to bank management. Particularly, the compliance people seem to think they wrote the regs, without any reasonable application. The FDIC people are trying to implement unreasonable regs, when they know it. I have a strong negative criticism on a recent change of pace where the state is sending a special examiner for the trust department. I have never received such a scathing verbally as last time when, basically, they didn't like my handwritten records. They thought they should walk in the front door and in 10 minutes understand every detail of our small trust department. The written report was milder in criticism."

**Iowa (state, northern):** "State examiners do an excellent, thorough job. Federal Reserve are thorough but too lenient. No point to having an exam if the examiners don't point out all the actual and potential credit problems. We'll prefer a 'tough' examiner over a lenient one any time. Fed examiners don't dig deep enough on our weak credits. I have always felt the Fed examiners were lenient because they were afraid we would drop out of their system."

**Iowa (state, northern):** "Many are not qualified to pass judgment on credit. FDIC can nit pick you to

Chart No. 6

"On a scale of 1-10 (10 is best rating), how would you rate your examiners?" (This chart reflects the percentage of bankers placing their examiners 8, 9 or 10 on the scale.)



death and harass you about something that does not amount to a damn. Many FDIC examiners would not know a bad loan if they would meet it in the middle of the street."

**Iowa (state, northwest):** "I like, more than anything else, when they leave. I really do not feel it is a privilege any longer to have them walk in the front door as it used to be, as they are now more nosey, doing a job for the sake of a job, downright insulting in assessing our loan judgment, and sarcastic in loan reviews. When a loan review starts at 9 a.m. and lasts until 7:30 that evening, without lunch or dinner breaks, and you don't have anything worse than substandard, I feel there is something wrong with the exam process! We are not a large bank by any means and have not had large loan losses and do not expect to have large loan losses, yet the last state exam left us feeling almost criminal for loaning money to some of our best customers in our eyes and worst in the examiner's eyes." (State rated 2 on 1 to 10 scale and FDIC 7.)

**Iowa (state, central):** "Both FDIC and state are considered thorough and competent. It is felt that the FDIC examiners waste time, stay in the bank longer than necessary and they appear cold. All examiners could give a little more credit to collateral. Usually, examiner will classify all of a loan when, in reality, only a portion of it should have been classified." (State rated 10, FDIC 7.)

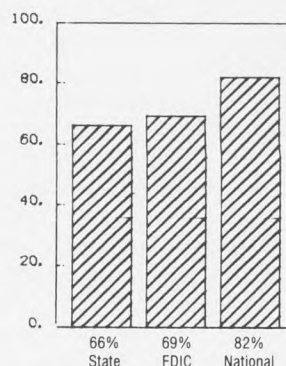
There were many other comments, both favorable and unfavorable, from all states, but the comments presented give an adequate cross-section.

#### Question 9

On a scale of 1-10 (10 is the best

Chart No. 6A

(This chart reflects the percentage of bankers placing their examiners in the upper half of the scale; i.e., 6, 7, 8, 9 or 10.)



rating), how would you rate your examiners?

As reported at the beginning of this survey report, and as shown in Chart No. 6, 51% of respondents gave examiners a rating of 8, 9 or 10. Segregated by type of examiner (again, Chart No. 6), state and FDIC examiners got 56% and 45% votes respectively for 8s, 9s, or 10s, while national examiners got 54% in the top three numbers.

Chart No. 6A expands the voting to include the upper half of the scale; i.e., from 6 to 10. State chartered bankers put 66% of their examiners in that bracket and FDIC examiners 69%, while national banks ranked 82% of their examiners in the upper half. On average, 74% of all examiners were rated in the upper half bracket.

The highest marks given by individual state bankers were in Iowa, where state-chartered banks rated 83% of their examiners in the 6 to 10 bracket, 81% of their FDIC examiners in the same bracket and 65% of their national examiners in the same group. In the very top bracket of 8 to 10 ratings, Iowa again led all states in rating their state examiners by putting 67% in the top three numbers, 52% of FDIC examiners in that group, but national examiners only 47%.

Nebraska bankers put 64% of their state examiners in the top five numbers, 81% of FDIC examiners and 75% of national examiners. In the 8 to 10 numbers in Nebraska, the voting was 41% state, 48% FDIC and 58% national.

Minnesota bankers were very similar, rating 68% of state examiners in the 6 to 10 bracket, 79% of FDIC, but only 56% of national examiners in the top five numbers.



## Corporate

### Brandt, Inc., Watertown, Wis.:

John Dullighan has been advanced to executive vice president and chief operating officer of the company. Previously he was vice president/general manager. Since joining the company in 1977, Mr. Dullighan has successfully developed the Currency Systems Division to a major operating entity. A native of Liverpool, England, Mr. Dullighan was formerly general manager of Harowe Systems, Inc., Westchester, Pa.

### Collateral Control Corp., St. Paul.:

Mike Williams has been named to the newly created position of vice president—leasing services in the corporate office. He has more than 13 years of leasing experience, most recently with North American Financial Corp., where he was credit manager in charge of credit and operations/documentation functions. Prior to that he was regional credit manager and assistant vice president with IFG Leasing in the midwestern region.



M. WILLIAMS

John K. Cecil has joined Collateral Control as a marketing representative for the Chicago/St. Paul region in Indianapolis. Most recently he was an assistant manager at American Fletcher National Bank in Indianapolis.

**Employers Mutual Casualty Co., Des Moines:** Ray Davis has been promoted to assistant vice president of Employers affiliated companies, according to Chairman Robb B. Kelley. Mr. Davis had been assistant secretary since 1981.

Other promotions include: E.H. Creese to vice president; Jack Van Sloun to assistant treasurer-controller of Dakota Fire and Union Mutual; Alan D. Huisinga to vice president and assistant treasurer of Employers Modern Life; Patricia R. Meyer to vice president of EMC Premium Services Co.; Samuel P. Colvin and Norman H. Anderson to assistant secretary of Employers Mutual and EMCASCO, and Sandra Chenoweth to assistant secretary of EMC Underwriters, Ltd.

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### Rock City and Pecatonica Promotions Announced

Robert W. Miller was named executive vice president and a director of the Rock City Bank and Glen A. Koning was promoted to vice president and cashier of the Bank of Pecatonica. Both banks were purchased in April by Northwest Illinois Bancorp, the holding company owning State Bank of Freeport.

Mr. Miller previously served as president of the German-American Bank of German Valley and Citizens State Bank of Mount Morris, and commercial loan officer at the Bank of Pecatonica.

Mr. Koning has been employed by the Pecatonica bank since 1969 and is a graduate of Wisconsin State University-Platteville, with a degree in agriculture.

Newly elected directors of the Rock City Bank board are Dan Heine and Richard A. Miller, both State Bank of Freeport officials.

Newly elected directors of the Pecatonica bank are Dan Heine, Richard Miller and Douglas Mitchel.

### Americorp to Acquire First National, Pekin

Americorp Financial, Inc., Rockford, and The First National Bank and Trust Company of Pekin have entered an agreement whereby Americorp, subject to certain conditions, will offer to acquire at least 91% of the outstanding shares of Pekin. Americorp's offer is to exchange .76 shares of Americorp common stock and \$.10 cash for each outstanding share of Pekin common stock.

The acquisition is subject to regulatory approval. First National, Pekin, as of March 31, 1984, had assets of \$54,352,961.

### Appointed in Skokie

Steven M. Strickland has been appointed assistant vice president,

commercial lending at the Skokie Trust & Savings Bank.

Previously assistant vice president at Pioneer Bank & Trust Co., Chicago, Mr. Strickland is a graduate of the University of Chicago, where he received his BA degree in economics in 1979.

### Chicago Bank Offers Translating Service

National Security Bank of Chicago, located on Chicago's ethnically diverse near northwest side, has the unique capability to serve its customers in nine foreign languages — plus English. The most popular is Spanish, but National Security Bank employees also can help customers who speak Polish, Italian, German, French, Phillipino, Chinese, Arabic, and Ukrainian.

National Security has been offering this service for nearly all of its 50-year history, to several hundred customers who speak limited or no English.

### City Natl. and Boone State Bank Merger Approved

The merger of City National Bank & Trust Co. of Rockford and Boone State Bank, Belvidere, has been approved by shareholders of both institutions as well as banking regulators. The resulting holding company, BancServe Group, Inc., has assets of \$175 million.

### Elmhurst Banker One of 300 Stonier Graduates

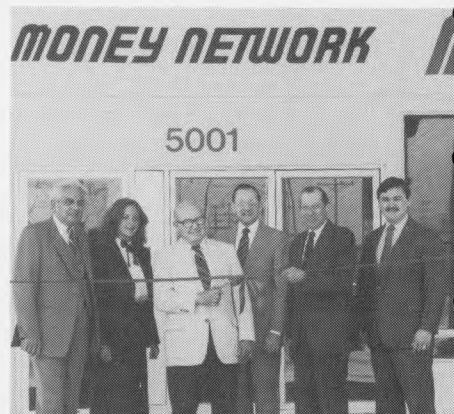
Loren J. Clark, executive vice president of Elmhurst National Bank was graduated this year from the Stonier Graduate School of Banking.

Mr. Clark joined the bank in 1980 as senior vice president, and was one of 300 bankers making up the class of 1984.

### Graduated With Honors

Steven E. Leek, a commercial loan representative at City National Bank & Trust, Rockford, recently graduated with honors from the Illinois Bankers School held May 21-June 1 on the campus of Southern Illinois University, Carbondale.

### Skokie Trust Celebrates ATM Grand Opening



SKOKIE Trust and Savings Bank recently unveiled its new Money Network Automatic teller machine in the Skokie Swift transportation center 5001 West Dempster Street. Present at the ribbon cutting ceremony (from left to right) were **James Tosto**, exec. v.p. and treas., and **Karen Frankel**, mktg. coor., both with the Cole-Taylor Financial Group; Mayor of Skokie, **Albert Smith**; **LeRoy Plaziak**, pres., Skokie Trust; **Frank Bauder**, pres., Cole-Taylor Financial Group, and **Patrick Bissell**, exec. dir., Money Network.



UnibancTrust Company, Chicago, has announced the following promotions:

Promoted to vice president are:



William C. Dippel and Casey Orlovski, commercial banking division; Peter Stickler, finance division; Mara Tomsons, investment division, and Daryl Waszak, trust division.

\* \* \*

Ford City Bank and Trust Company has announced the election of six new members to its board of directors.

Frank E. Bauder, president of Cole-Taylor Financial Group, Northbrook, was elected a director and chairman. Other newly elected directors are: Irwin H. Cole, deputy chairman, Cole-Taylor Group; Ben S. Jaffe, vice president and treasurer, Guarantee Reserve Life Insurance Company, Calumet City; Seymour Taxman, president, The Taxman Corporation, Skokie; Sidney J. Taylor, chairman, and James V. Tosto, executive vice president, both with Cole-Taylor Financial Group.

\* \* \*

An agreement in principle has been reached whereby Michigan Avenue National Bank, with assets of \$175 million, will be sold to First Colonial Bankshares Corporation with the transaction taking place within 120 days. The announcement was made June 20 by Patrick L. O'Malley, chairman of Michigan Avenue Financial Group, Inc., and C. Paul Johnson, president and CEO of First Colonial Bankshares Corporation.

## Ribbon-Cutting Opens O'Hare Automated Financial Centers



Thomas Kapsalis (center), City of Chicago commissioner of aviation, cuts the ribbon during the official opening of the Automated Financial Centers in Chicago's O'Hare International Airport last month. Looking on are Ira Bach (right), City of Chicago dir. of dev. and adm. ass't. to the mayor, and C. Paul Johnson (left), pres. and CEO of First Colonial Bankshares, the service provider for the CASH STATION/Cirrus ATM.

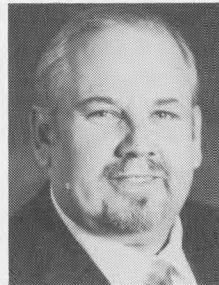
## Wisconsin

J.W. Johnson, pres., Spring Green  
B.K. Koontz, exec. dir., Madison



## Memononee Falls Addition

Charles H. Dreyfuss has joined F&M Bank, Menomonee Falls, as credit adjustment manager. He joins the bank from Milwaukee Cheese Co., Inc., where he was corporate credit manager.



C.H. DREYFUSS

Mr. Dreyfuss is a graduate of the University of Wisconsin, Milwaukee, and also served as manager of credit and collections for K Promotions, Inc.

## Acquisitions Completed

Previously announced acquisitions of three bank holding companies by Citizens Bancorporation were completed this week, according to an announcement by David Beck, president of the Sheboygan-based company. The acquired companies are S.B.W. Bancorp., Inc. of Wau-pun, Bancorporation of Wisconsin based in West Allis, and North Side Bancorp, Inc., Racine. Combined as-

sets of the new affiliates bring Citizens Bancorporation assets to \$917 million, an increase of almost 40%.

According to Mr. Beck, the Bancorporation of Wisconsin transaction was financed with convertible notes; S.B.W. Bancorp. shareholders agreed to an exchange of stock; and North Side Bancorp was a cash transaction.

## Spring Conference Held

F&M Bank, Menomonee Falls, Women's Community Council, recently presented its Spring Conference for area women entitled "Law and Laughter." Because of an overwhelming response to the program, it was presented twice in the month of May at North Hills Country Club, Menomonee Falls.

Lois Dougherty, Chairman of the Council, presided at the sessions.

The law side of the program was addressed by Madeleine E. Kelly, an attorney with Friebe, Finerty & St. John. Her topic was entitled "Current Legal Issues for Women." Bea Bourgeois, freelance writer, handled the laughter side of the program with her talk entitled "Dollars Don't Make Cents to Me."

## Three Graduates Receive Scholarships



F&M BANK Menomonee Falls recently presented three \$500 scholarships to area high school graduates. Scholarship winners with officers of F&M Bank are: (left to right) G. Mark Dignin, v.p. & pers. bkg. mgr.; Sharon Farrow, pers. bkg. oper. mgr.; Lawrence K. Elton, exec. v.p. & c.o.o.; Jennifer Gentine, Hamilton High School; Cindy Ann Wiss, Menomonee Falls High School-North Campus; Richard P. Klug, pres.; Alan J. Kunz, sr. v.p., pers. bkg. Not pictured: Lynn Wysocki, Menomonee Falls High School-East Campus.



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because every F&M Marquette correspondent banker has years of experience and an established reputation for trust and confidentiality. We built our correspondent reputation on personal service. And even though we've

grown to be a billion dollar bank, our philosophy hasn't changed. Extending ourselves for you is our way of life. Call us for all Correspondent Banking services at 612/341-6561.

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## Minnesota

G.T. Pate, pres., West St. Paul  
T.L. Jeffers, exec. v.p., Minneapolis



### Zapp Natl. Elects President

John Leisen has been named president and chairman of Zapp National Bank, St. Cloud. He succeeds Henry Mareck, who retired July 1. Mr. Leisen has been with Zapp National since 1962, most recently as executive vice president.

Mr. Mareck joined Zapp National in 1946 as a bookkeeper and was named president in 1977, succeeding Edward A. Zapp, Sr.

Zapp National recently announced plans for two additional buildings; the Midtown Office and a new building for the main bank. The Midtown Office will serve as the bank's third full-service branch bank and is scheduled to open this fall.

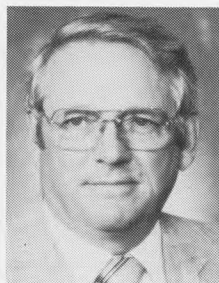
The new bank building is still in the planning stages, however, land has been purchased and construction should begin within the next two years, Mr. Mareck indicated.

### Litchfield President Named

Norwest Corporation announced last month that David Daeges has been elected president and CEO of Norwest Bank Litchfield, succeeding Roger O. DeBoer who retired July 31.



D. DAEGES



R.O. DE BOER

Mr. DeBoer, past president of Litchfield Industries, Inc., has been president of the Litchfield bank since transferring here from Silver Bay in 1965. He has been with Norwest organization 36 years.

Mr. Daeges joined the Litchfield bank in 1979 and most recently was senior vice president. He previously

was with Norwest Bank Redwood Falls.

### Burnsville and Northfield President Elected

Gordon F. Clarke was elected president and chief executive officer of First Bank Burnsville and president of First Bank Northfield July 1. He succeeds Newton R. Fuller who has taken a position of expanded managerial responsibility in the Twin Cities metro banking division.

Mr. Clarke previously was president of First Bank Havre, Montana, a position he has held since 1977. He began his career with First Bank System in 1953 when he joined First Bank Minneapolis as an adjuster.

Mr. Fuller has been associated with First Bank Burnsville and First Bank Northfield since 1982.

### Brainerd Promotion Told

Gladys Petersen has been promoted to customer service officer of First Bank Brainerd, according to Lee Mielke, president.

Ms. Petersen joined the bank in 1978 as a customer service representative and previously was with Brooklyn Center State Bank and Northwestern National Bank in Minneapolis.



G. PETERSEN

### National Charter Approved

Minnesota State Bank of Caledonia, located at 124 East Grove in Caledonia, recently received approval from the Comptroller of the Currency to convert to a national charter. The new name of the bank is "Minnesota Bank, N.A.."

### 1985 Convention Dates

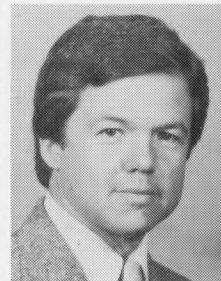
The 1985 convention of the Minnesota Bankers Association has been scheduled for June 10-12 at the Amfac Hotel in Minneapolis.

### Bemidji Promotions Told

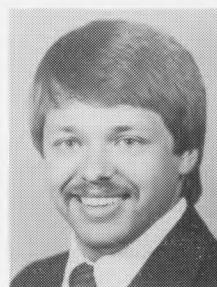
First National Bank of Bemidji recently announced the following promotions:

Paul Welle was elected to the position of commercial loan officer. He has been with First National for the past five years.

Robert Seado was elected real estate loan offi-



P. WELLE



R. SEADO



H. SKEIM

cer. He joined the staff of First National Bank in 1978 as a teller at the detached facility.

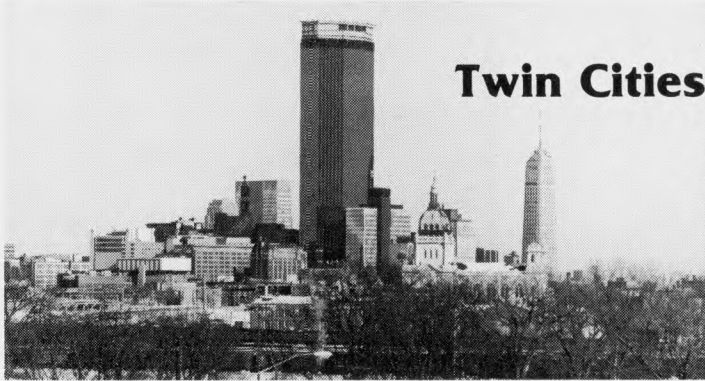
Helen Skeim was appointed to the position of installment loan officer. She has been with First National for the past 18 years.

### Minnesota Society of CPAs To Sponsor Conference

Attorney Richard Covey, national speaker on estate planning matters, will be the featured speaker at the Estate and Financial Planning Conference, sponsored by the Minnesota Society of Certified Public Accountants. The conference will be held September 5 at the Radisson South Hotel.

Mr. Covey is a partner in the New York City law firm of Carter, Ledyard and Milburn.

The conference is for CPAs, attorneys, CLUs, investment advisors and other professionals who work in estate and financial planning. Attendance qualifies for 8 CPE credits and also for CLE credits. For more information, contact the Minnesota Society of CPAs at 612/831-2707.



## Twin Cities



At First Bank Southdale, **Sheldon R. Cravens** and **Duane C. Brinkman** were promoted to vice president and **Karen T. Orn** was named an executive and professional banking officer.

Mr. Cravens, promoted in the commercial loan division, previously was assistant vice president.



S.R. CRAVENS



D.C. BRINKMAN



K.T. ORN

Mr. Brinkman, previously vice president in sales finance, has been with the bank since 1978.

Ms. Orn previously held the position of group human resources officer at First Bank System.

\*\*\*

**Gary Ruhter** has been promoted to cashier at Marquette Lake State Bank, Minneapolis. He previously served as an audit officer for Bank Shares Incorporated.

\*\*\*

F&M Marquette National Bank, Minneapolis, recently promoted **Lawrence S. Podobinski** to vice president, investments. In addition, **David A. Stavenger** has joined the bank as vice president, retail administration, and **David A. Hoven** has joined as assistant vice president, investments.

Mr. Podobinski, also government

bond manager, previously was assistant vice president in investments, and also served as investment officer for Marquette National Bank.

Mr. Stavenger, prior to joining F&M, served as senior vice president and cashier at Marquette National Bank at University.

Mr. Hoven had been vice president of public finance for Piper, Jaffray & Hopwood, Inc.

\*\*\*

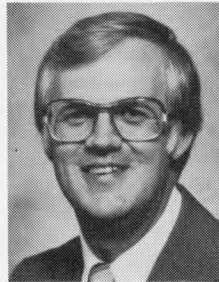
Norwest Bank Central, Minneapolis, has named **Michael G. Schrantz** as president. He succeeds **William S. Solberg** who has resigned his position to take retirement. Mr. Schrantz previously served as executive vice president and as a member of the board of Norwest Central.

Mr. Schrantz began his career in 1958 with Norwest Bank of Slayton. During his career he has served in a variety of positions at Norwest Banks in Slayton, Red Wing, Omaha and Rapid City as well as held positions at the Norwest Corporate office.

\*\*\*

**J. Scott Hutton**, president of First Bank Edina, has announced that **Donna L. Staats** has been named assistant vice president in the bank's operations division.

Prior to joining the bank she held the position of acting assistant controller at First Bank



M.G. SCHRANTZ



D.L. STAATS

System. Ms. Staats began her banking career at First Bank System in 1982.

\*\*\*

**Jerome E. Lanning** has been elected vice president and secretary of FBS Property Resources Corporation.

Mr. Lanning has been with FBS since 1964, originally employed in its consumer finance entity.

\*\*\*

Norwest Bank Minneapolis, N.A. recently announced the appointment of **Dennis S. McChesney** as senior vice president of the domestic banking group, responsible for the bank's commercial middle market activities.

Mr. McChesney formerly was group vice president of Norwest Bank St. Paul, he also served as vice president of credit and loan administration for Norwest Corporation.

\*\*\*

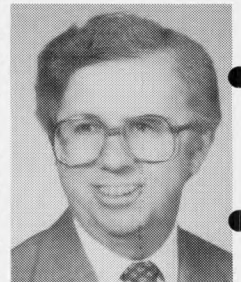
**Thomas E. Finley** has joined First Bank Minneapolis as vice president in the international banking group.

He had been with Continental Illinois National Bank, Chicago, for 17 years, most recently serving as vice president in international unit operations.

\*\*\*

**Stockton Forrest** has been elected assistant vice president and manager of the middle market group in the leasing and equipment finance division of FBS Business Finance Corporation.

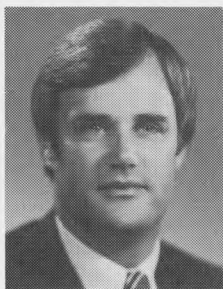
Mr. Forrest joined as marketing officer in 1983.



T.E. FINLEY



Keith J. Vegors, Jr. has been named president of Norwest Bank South St. Paul, N.A. He succeeds Robert S. Branham, who assumed the position of chairman.



K.J. VEGORS, JR.

Mr. Vegors, also elected a director, joins the bank from his previous position as vice president and manager of the private banking division at Norwest Bank St. Paul, N.A. He is a native of Webster City, Iowa, and has a BS in agricultural education and MS in agricultural education/economics from Iowa State University, Ames.

Mr. Branham has been president of the South St. Paul bank since 1975 and has been affiliated with Norwest Corporation since 1946.

\* \* \*

At FBS Insurance, Minneapolis, Kathy Larson was recently promoted to assistant vice president of personnel and Clancy Smith was promoted to operations officer.

Ms. Larson joined FBS in 1980 and has been a personnel officer since 1982. Mr. Smith has been with FBS since 1979, when he joined First Insurance Hopkins as an insurance producer.

## Joins Marshall Staff

Richard D. Tofte recently joined the staff of First American Bank & Trust of Marshall as a commercial banking officer. His duties will principally be in the agricultural and commercial areas.



R.D. TOFTE

Mr. Tofte is a graduate of South Dakota State University, where he received degrees in ag business and commercial economics. He previously was with PCA of Marshall the past four years.

## Promoted in Fergus Falls

The First National Bank of Fergus Falls has announced the promotion of Susan Peterson to personal banking officer.

Ms. Peterson has been employed by the bank since 1976, most recently serving as installment loan interviewer. She presently is attending Moorhead State.



S. PETERSON

## Elected in Red Wing

Brad J. Brozik has been elected personal banking officer of Norwest Bank Red Wing, N.A., according to Norman J. Sampson, president.



B.J. BROZIK

Mr. Brozik has been with Norwest Bank since 1983 and will have primary responsibilities in the consumer and agricultural loan departments. He has a BS degree in finance and economics from St. Cloud State University.

## Blaine Promotion Announced

Dean R. Tollefson, president of First Bank Northtown, Blaine, has announced the promotion of Eldbjorg Skare to personal banking officer.

Mrs. Skare joined the bank in 1976 as a bookkeeper and most recently served as a personal banking representative in the retail banking department.



E. SKARE

## Bayport Promotions Told

First State Bank of Bayport has announced the promotions of Eleanor Kaphing and Jody Kolashinski to personal banking officers.

Ms. Kaphing started with the bank in 1977 and has served as a teller and as assistant in the loan department.

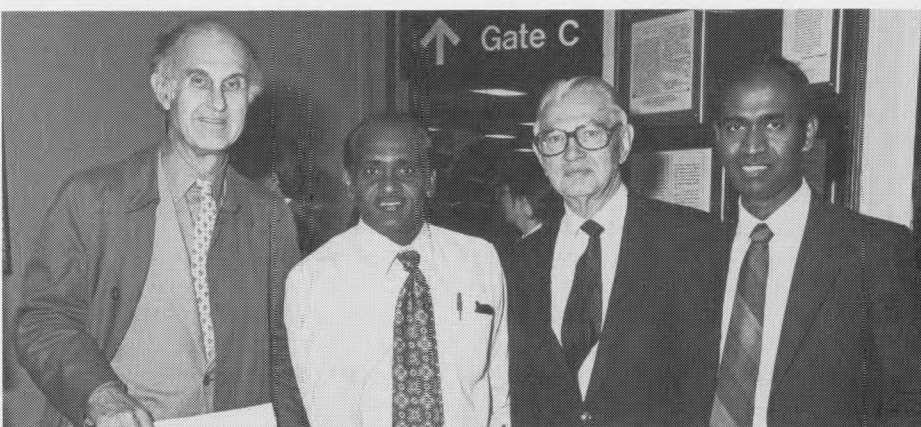
Ms. Kolashinski started in 1976 with First State Bank and was promoted to head teller in 1980. In 1982 she moved into the certificate of deposit department.

## Appointed in Maplewood

Mark Novitzki has been appointed loan officer for Maplewood State Bank, according to G. Jack Hillstrom, president.

Mr. Novitzki started at the bank in June of last year as a management trainee. He received a BA degree in finance from Notre Dame University in 1983.

## Richfield Bank Participates in Intern Program With Sri Lanka Banker

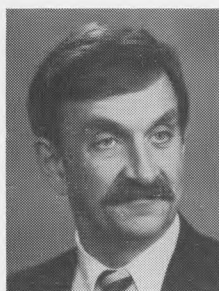


RICHFIELD Bank & Trust Co. recently welcomed the arrival of V. Suntharalingam, a Sri Lanka banker, who will be working at the bank through a one-year intern program focusing on bank operation. Mr. Suntharalingam (second from left) is the branch manager for the Peoples Bank of Sri Lanka in the regional center of Mullithivu, located on the island's northeast coast some 200 miles from the capital city of Colombo. Pictured with Mr. Suntharalingam from left is: William Kirchner, chmn., Richfield Bank; Chet Eggen, exec. v.p., and K. "Raja" Rajalingham, former resident of Sri Lanka, who is involved with Richfield's investment management dept.

## First Banks Hopkins and Produce Join, Elect Officers

John E. Raymond, president of First Bank Hopkins, has announced that First Bank Hopkins and First Bank Produce have received final approval for the consolidation of their assets under the name of First Bank Hopkins. The consolidation includes the acquisition of the St. Louis Park Office of First Bank Produce.

Selmer E. Undem has been named executive vice president of First Bank Hopkins. He previously was president and CEO of First Bank Produce.



J.E. CAMPBELL



S. UNDEM



R. GOLTZ



N. HILLMAN

James E. Campbell has been named senior vice president and manager of the new St. Louis Park Office. He formerly was vice president at First Bank Produce.

Ranae Goltz has been named assistant vice president and personal banking manager at the St. Louis Park Office. She previously held the position of retail banking manager and marketing officer at First Bank Produce.

Conrad M. Newburgh has been named assistant vice president, commercial lending department, at the St. Louis Park Office. He previously held a similar position at the main office of First Bank Hopkins.

Richard Nelson is now assistant vice president and commercial lend-

ing officer at the St. Louis Park Office. He most recently was assistant vice president and manager of that office.

Dorothy Shoemaker, Debra Nelson and Gloria Schmitz have been named personal banking officers, the same position they held with First Bank Produce.

Named assistant vice president were Karen Spengler, financial group manager for the bank, and Earl A. Erpelding, commercial lending officer for the bank. Both were previously with First Bank Produce.

Judith Goulin was named personal banking officer for the bank, having held the same title with First Bank Produce.

Nancy Hillman has been promoted to operations officer and trust manager. She has been with First Bank Hopkins since 1979 as a teller.

Five former members of the board of First Bank Produce have been named directors of First Bank Hopkins. They are:

Selmer (Andy) Undem, newly named executive vice president; Harold Ring, president and treasurer of Ring Construction Company; Marvin Mann, partner in Cineland Theaters; James W. Elvin, president of Elvin Safety Supply Company, Inc., and Paul Weisman, partner in Weisman Investment Company.

## Norwest Bank Duluth Names New President and CEO

Norwest Bank Duluth, N.A. recently announced the election of Charles A. Russell, currently chairman, as its chief executive officer, and Robert M. Fischer as president and chief operating officer, effective September 1.

As previously announced, Dennis W. Dunne will continue to serve as president and chief executive officer until his retirement on August 31.

In addition, the board appointed Steven J. Sertich, assistant vice president, as director of human resources for both the bank and Norwest Corporation's Region I and elected James M. Mattern human resources officer.

Mr. Russell serves a dual role for Norwest Corporation, as both regional president of Region I and

chairman of the board of the Duluth bank. He has been with Norwest Corporation since 1959, when he joined Norwest Bank Minneapolis, N.A. He moved up the ranks until he was appointed president and chief executive officer at Norwest Bank Old Saint Anthony, N.A. in 1974. He served there until 1979, when he joined the corporate office of Norwest Corporation as a vice president in the banking division.

Mr. Fischer has served as executive vice president and manager of the commercial division at Norwest Bank Duluth since 1983. He began his career at the bank as a trainee in 1958, and has since served in various capacities in the trust division. He was named vice president and manager of trust in 1976, and senior vice president in 1979.

Mr. Sertich joined Norwest Bank Duluth as a trainee in 1979 and most recently was promoted to assistant vice president, human resources, in 1983.

Mr. Mattern currently serves as human resources officer of Norwest Bank Owatonna. Prior to joining the bank in 1981, Mr. Mattern was a principal and school teacher in Aberdeen, S.D.

Three other officers have also been promoted at Norwest Bank Duluth.

Sandra L. Fossen was elected assistant vice president, and Arlene K. Ross and David M. Hoium were elected trust officers.

Ms. Fossen joined the bank in 1968, working in operations and trust prior to being promoted to trust officer in 1980.

Ms. Ross joined Norwest Corporation five years ago, working two years at the Grand Rapids affiliate and the past three years at the Duluth affiliate.

Mr. Hoium has been with Norwest Bank Duluth the past three years, working in the accounts, loan and trust departments.

## One Promoted in Austin

Marlin Morris has been promoted to agricultural loan officer of Norwest Bank Austin.

Mr. Morris joined Norwest Bank in 1983 as an ag trainee. He is a graduate of Iowa State University with a BS degree in agricultural education and dairy science.





**NEW OFFICERS** of the North Dakota Bankers Association for 1984-85 are, from left: Immed. Past Pres.—**Darold Petersen**, pres., Lakeside State, New Town; Pres.—**Les O. Nesvig**, Pres., The First State Bank of La Moure; Pres.-Elect—**William M. Sanger**, pres., First Bank of North Dakota (N.A.) Wahpeton; V.P.-Treas.—**Harvey H. Huber**, pres., Union State Bank of Hazen, and Exec. Dir.—**Harry J. Argue**, Bismarck. **RIGHT**—New officers of the South Dakota Bankers Association for 1984-85 are, from left: Immed. Past Pres.—**Charles W. Ekstrum**, pres., First National, Philip; Pres.—**John A. Haerter**, pres., Farmers State, Hosmer; Pres.-Elect—**Burdette C. Solum**, pres., Norwest Bank Watertown, N.A.; V.P.—**B. Michael Broderick, Jr.**, pres., First American Bank, Canton, and Exec. V.P.—**J.I. Milton Schwartz**, Pierre.

## Dakota bankers celebrate Centennial Year

By **BEN HALLER, JR.**  
Publisher

and

**STEVE BURCH**  
Associate Publisher

**J**UST as it is with all memorable events where the excitement of anticipation is half the fun, the Dakota Bankers Centennial Convention was a rousing success but was over all too soon. On Sunday morning, July 8, about 700 tired but happy bankers and their families moved out of The Broadmoor Hotel at Colorado Springs, Colo., and began their trip back to North Dakota and South Dakota.

The occasion had been the long-planned joint convention celebration by the South Dakota Bankers Association and the North Dakota Bankers Association to commemorate the founding of the Dakota Bankers Association in 1884 when the area was still the Dakota Territory. When statehood followed for North and South Dakota in 1889, each state formed its own state association that continues today. Consequently, each state will have a *second* opportunity in just five years to celebrate a Centennial again!

But for now, they joined forces to honor the memory of the stalwart bankers who financed the pioneer farmers, miners and business people who carved the Dakotas from a western wilderness. The durability of their lineage is reflected in the fact that many of those managing Dakota banks today are third and fourth generations of those who helped settle the Territory, coming from the East and foreign countries.

While they looked back, the new,

modern breed of Dakota bankers also knew they must continue looking forward to times as challenging in their own way as the hardships endured by earlier bankers. Throughout the Centennial Convention, speakers reminded them of the knotty problems facing all banks today and the severe challenges of unfettered competition from outsiders.

SDBA President Charles Ekstrum and NDBA President Darold Petersen took turns introducing various speakers, and presided at their respective state business meetings.

The Governors of both states were present to join the Centennial Convention celebration and both added their somber appeals for continued joint cooperation among all bankers in their respective states to aid the statewide economy, as well

as cooperative action between the two states for area advancement.

Gov. William Janklow of The Sunshine State of South Dakota referred to "the support in 1980 of South Dakota bankers in passing the bill to allow Citicorp to enter New York." He reminded them that "in 1980 the amount of franchise tax collected was \$1,200,000; in 1983 it was \$14,200,000." He said Citicorp is now a \$40 million investment in the state with 2,000 employees.

Gov. Janklow stated, "It is time to renew our commitment to save small communities. This won't come from Sioux Falls or Rapid City but from all the small towns responding together. Some will fail, but all of us must conduct our affairs in such a way that growth will continue."

Gov. Allen I. Olson of North Dakota began tongue-in-cheek by saying, "We have oil, coal and gas and South Dakota has Citicorp!" He

### Dakota Bankers Elect New Officers for 1984-85

#### North Dakota

Pres.—**Les O. Nesvig**, pres., First State Bank, LaMoure.  
Pres.-Elect—**Wm. M. Sanger**, Pres., First Bank of North Dakota (N.A.) Wahpeton.  
V.P.-Treas.—**Harvey H. Huber**, Pres., Union State Bank, Hazen.  
Immed. Past Pres.—**Darold Petersen**, Pres., Lakeside State Bank, New Town.  
ABA Council—**John M. McGinley**, Pres., American State Bank & Trust, Williston.  
Exec. Dir.—**Harry J. Argue**, Bismarck.

#### South Dakota

Pres.—**John A. Haerter**, Pres., Farmers State Bank, Hosmer.  
Pres.-Elect—**Burdette C. Solum**, Pres., Norwest Bank Watertown, N.A.  
V.P.—**B. Michael Broderick, Jr.**, Pres., First American Bank, Canton.  
Immed. Past Pres.—**Charles W. Ekstrum**, Pres., First National Bank, Philip.  
ABA Council—**John W. Thomson**, Pres., The Bank of Centerville.  
Exec. V.P.—**J.I. Milton Schwartz**, Pierre.

stressed also the need for cooperative action between the two states, mentioning rail lines and water development as two examples. He stated further, "While we spend a great deal of time and money expanding our economy, the fact remains that our small town agriculture is the base of our overall state economy. We must address the '85 Farm Bill more seriously than ever. This is the last world class business left in America and if we aren't careful we're going to lose it. We'll have to get radical in some respects."

**Frank Cappiello**, president of Summit Advisers, Inc. of Maryland and New Jersey, and a regular on TV's *Wall Street Week*, was the first of two speakers to discuss the economy. The other was **Malcolm Forbes, Jr.**, chief executive officer of Forbes, Inc., and senior editor of *Forbes* magazine, New York. Mr. Forbes' talk was detailed in the July 16 issue of the *NORTHWESTERN BANKER Weekly Newsletter*.

Mr. Cappiello said "We hypothesize the prime interest rate has peaked and we'll see it going down

perhaps to 11% or even back to 10½%. This is where we aim our planning and make our adjustments accordingly."

Mr. Cappiello said "as a guess I will say if we have a Republican President and Republican Senate, we could have a balanced budget by the end of the decade, but I think that's slim. However, we don't need a balanced budget per se, but we need reductions in spending and increased savings. No leading nation in the world has a balanced budget."



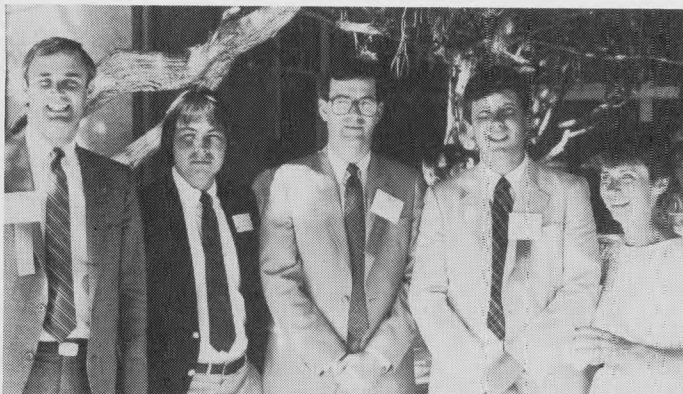
**SPECIAL** guest speakers at the Dakota Centennial Convention were Governors of the two states, shown here visiting before they addressed the opening general session. They are South Dakota Gov. **William J. Janklow** (left) and North Dakota Gov. **Allen I. Olson**.

The best bet for deficit reduction, he stated, is to bring the interest rate down to 10%, assuring an automatic cut of \$30 billion in interest paid on the debt... "so write Chairman Volcker!"

**ABA President-Elect Jim Cairns**, president of Peoples National Bank of Washington, Seattle, addressed the continuing battle to achieve expanded powers from Congress on behalf of banking. He reviewed the current Senate and House bills and described the diversity between the two.

**Alex Sheshunoff**, president of Sheshunoff & Associates, Austin, Tex., used a series of slides and printed handouts to illustrate his talk about "The Future of Your Bank." He said, "I think fear of the future is a campaign being waged by New York banks." He said banks presently have these major choices: 1. Staying independent. 2. Establishing a closer relationship with other independent banks. 3. Forming a MBHC. 4. Selling to another bank or investor. 5. Merging with a BHC. 6. Becoming a franchisee.

Of the latter, he stated, "It used



**LEFT**—**Ken Vegors**, v.p., Norwest Corp., Mpls; **E.K. Wagner**, chmn., SunBank, Sioux Falls; **Ed Baker**, v.p. Norwest Corp., Mpls., and **John McCune**, v.p., Norwest Bk., Mpls., and **Connie Weeks**, corr. bkg. off., Security Natl., Sioux City, and **Jim**.



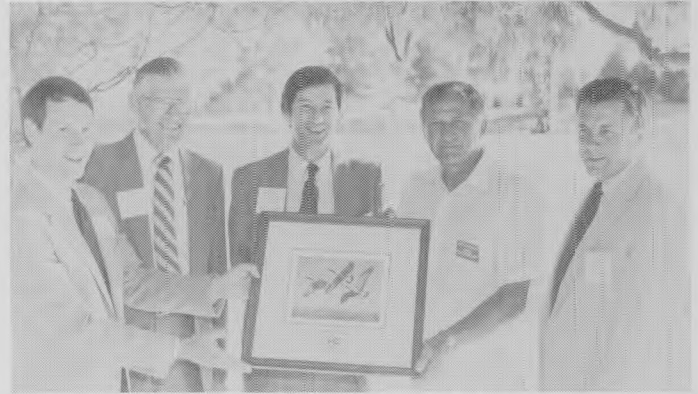
**RIGHT**—**Terry and Larry Schacht**, pres., Andes St. Bk., Lakes Andes, S.D., with **Wilma Weeks**, corr. bkg. off., Security Natl., Sioux City, and **Jim**.



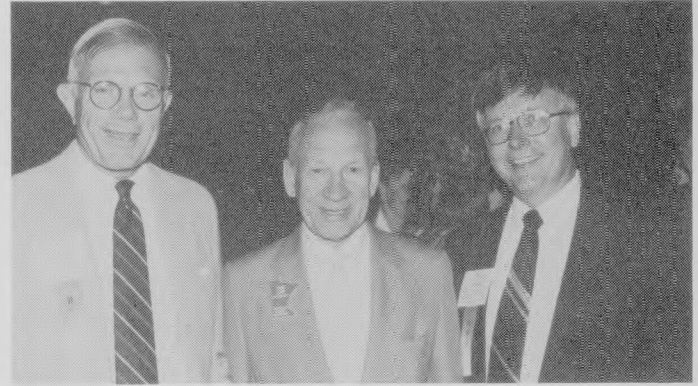
**LEFT**—**Janet and Dave Johnson**, exec. v.p., Farmers St. Bk., Estelline, S.D., with **Glen Ritterbusch**, dir. of bkg. & fin., Pierre, and **Carol and Dick Holmes**, a.v.p., F&M Marquette Natl. Bk., Mpls. **RIGHT**—**NDBA Vice President Bill Sanger**, pres. & c.e.o., First Bk. of North Dakota, Wahpeton, with **Huck Bushfield**, v.p., Hand Cty. St. Bk., Miller, S.D.; **Aimee Sanger**, and **Nini and Jim Hart**, pres., Hand Cty. St. Bk., with guest **Kristin McColley** and daughter **Cynthia Hart**.







**EACH** year Norwest Banks present a wildlife portrait to outgoing assn. presidents. In photo at left are, from left: **Charles W. Ekstrum**, outgoing SDBA pres.; **Gary Olson**, pres., Norwest Bank Aberdeen, N.A.; **Tom Wiklund**, v.p., Norwest Bank Minneapolis, N.A.; **Sid Bostic**, sr. v.p. & br. mgr., Norwest Bank Sioux Falls, N.A., and **Dave Butterwick**, reg. bkg. off., Minneapolis. **RIGHT**—**Dave Butterwick**; **Warren DeKrey**, pres., Norwest Bank Bismarck, N.A.; **Tom Wiklund** and **Darold Petersen**, outgoing NDBA pres., and **Jack Holm**, v.p., Norwest Bank Fargo.



**LEFT**—Three well-known state assn. executives helped the Dakota Bankers celebrate their Centennial. From left are: **Don Childears**, exec. mgr., Colorado Bankers Assn., Denver; **Truman Jeffers**, exec. v.p., Minnesota Bankers Assn., Minneapolis, and **Neil Milner**, exec. v.p., Iowa Bankers Assn. **RIGHT**—Other Minnesotans on hand to join the celebration were **Joe Kingman**, pres., American Natl. B&T, St. Paul; **Herb Lund**, pres. of the MBA and pres., Security State, Albert Lea, and **Bob Jacobson**, v.p., American Natl., St. Paul.



**LEFT**—**John McGinley**, pres. & c.e.o., American St. Bk. & Tr., Williston, N.D., visits with **Linda** and **Harry Argue**, exec. dir., NDBA. **RIGHT**—Representing the Bank of North Dakota were **Herb Thorndal**, pres. & c.e.o., and **Nancy**, and **Lelia** and **Ruben Sailer**, sr. v.p.



**LEFT**—Enjoying the Bar-B-Que were: **Bob Peterson**, sr. v.p., Security Natl. Bk., Sioux City; **Ken Roeder**, pres. & c.e.o., Peoples St. Bk., De Smet, S.D., and **Suzanne**; **Sherman Visscher**, v.p., First Fidelity Bk., Platte, S.D. and **Lois**, and **Ron Kiel**, corr. bkg. rep. Security Natl. **RIGHT**—Representing First Bank Minneapolis were: **Maxine** and **Bill Hamilton**, a.v.p., **Kenny Wales**, sr. v.p., and **Patti**, and **Rita** and **Dave Williams**, v.p.

to be if you changed the name of your bank to theirs, they wrote *you* the check! One of the greatest assets identification of your own bank and your own community."

Apart from the excellent business meetings, Dakota bankers found the facilities of The Broadmoor to be everything that was anticipated. A shotgun start on one of the 18-hole courses started 144 golfers off on a beautiful afternoon of golf with a mountain backdrop. The Broadmoor tennis courts were fully utilized, as well as the swimming pools, jogging

and hiking paths.

Everyone enjoyed the traditional Rotten Log Hollow barbecue staged in the mountains by The Broadmoor staff. This was followed the closing night by an elegant candlelight banquet in the International Center that was climaxed by a superb performance by pianist Roger Williams, who played many favorite tunes of all generations.

The SDBA 1985 convention will be May 12-14 at Rushmore Plaza Civic Center in Rapid City. The 1986 convention will be May 11-13 at Ra-

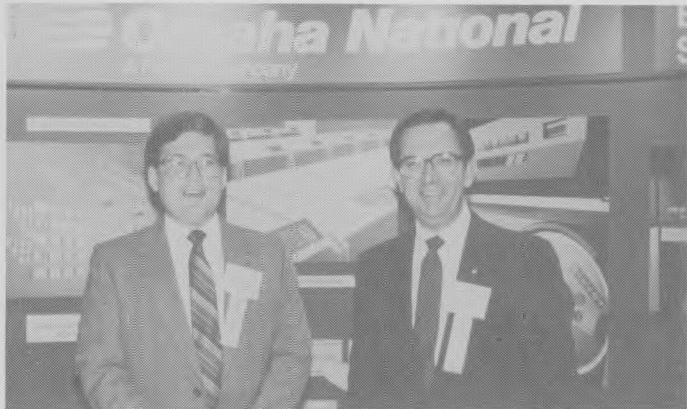
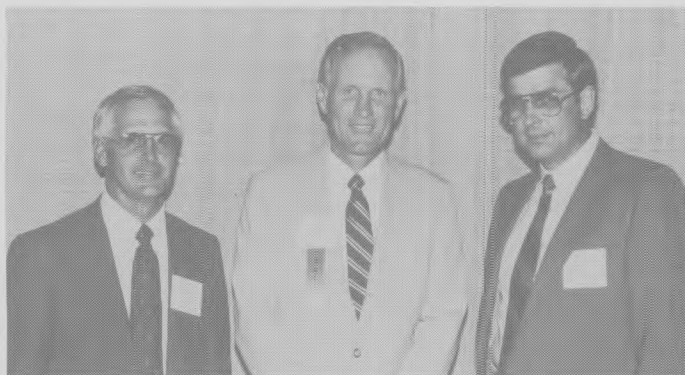
mada Inn, Sioux Falls.

The NDBA 1985 convention will be June 10-11, Holiday Inn, Bismarck, with the NDBA opting to remain with June dates instead of the traditional May convention dates. That will continue in 1986 when the convention will be June 9-10 at the Holiday Inn, Fargo.

After a brief period of saluting the first 100 years, the Dakota bankers headed home to face up to the next century of service to their two states. □



LEFT—Bill Klein, v.p., F&M Marquette Natl. Bk., Mpls., and June, with Donna and Ray Sharkey, pres., Peoples St. Bk., Westhope, N.D., and Jerry Long, pres., State Bk. of Bottineau, N.D. RIGHT—Ron Jenkins, pres. & c.e.o., Commercial Tr. & Sav. Bk., Mitchell; Gene Hagen, pres. & c.e.o., Security Natl. Bk., Sioux City, and John Lillibridge, chmn., First Fidelity Bk., Burke, S.D.



LEFT—Exhibitors included Richard Nelson, 2nd v.p., and Mike Baker, acct. rep., Omaha Natl. Bk. RIGHT—Dean Mehlhaff, (center) pres., Eureka St. Bk., Eureka, S.D., visits with Bob Chamberlain, v.p., sales supp., and Mark Cironi, v.p., sales, Omni Resources, Orlando.



LEFT—Karen and Dale Den Herder, pres., Sun Bank, Sioux Falls; Lois and Mike Broderick, pres., First American Bank, Canton; Carol Jacobson and Gary Stevenson, v.p., 1st Natl. Sioux City. RIGHT—Tom Stockert, sr. v.p., Norwest Bank Minot, N.A., with Warren Wenzel, sales repr., Brandt, West Fargo, and Ron Doll, dist. mgr., Brandt, Wayzata, Minn.





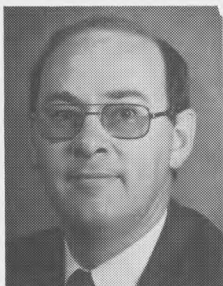


● **AMONG** the 144 men golfers were, from left: **Bob Anderson**, sr. v.p., First Bank Minneapolis, N.A., and **Dave Birkeland**, pres., First Bank South Dakota, N.A., Sioux Falls (in cart); **Tim Stern**, pres., and **Jack Holm**, v.p., Norwest Bank Fargo, N.A.; **John Pierson**, pres., Norwest Bank Minot, N.A., and **Pete Nielsen**, exec. v.p.-trust; 1st Natl., Grand Forks.

## South Dakota News

### Elected in Huron, Hot Springs and Miller

The board of directors of First Bank of South Dakota, N.A. has elected George Nygaard as president of First Bank Huron.



G. NYGAARD

● Mr. Nygaard joined First Bank System in 1969 at First Bank Fargo and served from 1977 to 1982 at First Bank-Southside Missoula, Montana. His most recent position there was second officer.

● First Bank of South Dakota also announced the election of Jean Meadows as assistant vice president at First Bank Hot Springs and Rodney Mast as ag loan officer in Miller.

● Ms. Meadows joined the Hot Springs bank in 1972 as a teller. Her new job responsibilities will include the function of acting branch manager for the bank.

● Mr. Mast joined the Miller bank in 1983 as a management associate. He is a graduate of South Dakota State University.

### Approvals Received

● In recent action by the Department of Commerce, division of bank-

ing and finance, Southern Hills Bank, Edgemont, received approval to move its Buffalo Gap office to Hot Springs and to establish a detached drive-in at Buffalo Gap.

Also approved was the application of First Fidelity Bank, Burke, to acquire the United National Bank Branch at Gregory.

Chancellor State Bank has also received approval to change the bank's name to Dakota Heritage State Bank.

### Lake Andes Addition Told

The Andes State Bank, Lake Andes, has announced the addition of Sally R. Winckler to its staff.

Ms. Winckler, who will serve as assistant vice president, has had eight years of prior experience at American State Bank of Yankton, BankWest N.A. of Pierre and American Indian National Bank of Washington D.C.

### Promoted in Rapid City

Deanna Trowbridge has been promoted to personal loan officer of Norwest Bank Black Hills, N.A., Rapid City.

She joined Norwest in 1983 as a trainee and is a graduate of Chadron State College.

### National Examiner Named

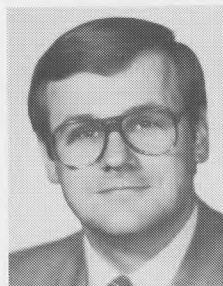
Debra E. Wessely has been promoted to national bank examiner.

She is a graduate of the University of Wisconsin in Whitewater and has been employed by the Comptroller of the Currency since 1979, most

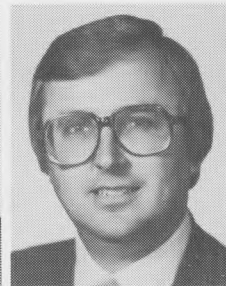
recently as an associate national bank examiner. Ms. Wessely will remain headquartered in Sioux Falls.

### Two Elected in Sioux Falls

Two officer elections were recently announced at Western Bank in Sioux Falls. Elected were Michael R. Mostrom as director of data processing, and Jim M. Snyder as mortgage investment officer.



M.R. MOSTROM



J.M. SNYDER

Mr. Mostrom joins the bank following ten years with the management information consulting division of Arthur Andersen & Co.

For the past 11 years Mr. Snyder has been with a financial institution in Watertown where he managed both the mortgage and consumer loan departments.

### Two Officers Elected in Wall

Norbert Sebade, president of First Western Bank, Wall has announced that Marilyn Keyser was elected by the board of directors as operations officer. Ms. Keyser joined the bank in 1976 and has worked in all areas of bank operations as well as being a licensed insurance agent.

Elected to the position of custo-

mer relations officer was Barbara Hammerstrom. Ms. Hammerstrom joined the bank in 1977 and has responsibility for customer services and supervision of daily accounting procedures.

### Elected in Sioux Falls

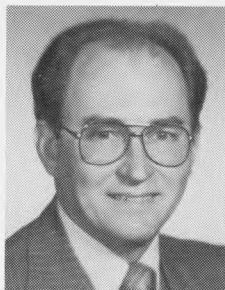
T.J. Reardon, president of Western Bank in Sioux Falls, has announced the following officer elections:

Michael J. Schumacher has been promoted to vice president in commercial loans. Formerly assistant vice president, he has been in the commercial banking division since early 1983. He previously spent eight years in commercial banking in Minnesota.

Ron Buckhouse has been elected assistant vice president-operations. Mr. Buckhouse, who joined the bank in May, moved from Minneapolis where he had over 18 years experience in bank operations.



M.J. SCHUMACHER



R. BUCKHOUSE



P. MITCHELL

Paula Mitchell has been elected personal banking officer. She joined the bank in 1983 as consumer loan counselor and has nine years of previous financial experience.

### First Bank of South Dakota Advances One, Elects Two

The board of directors of First Bank of South Dakota (N.A.), Sioux Falls, has advanced one officer and elected two officers.

Cathy Clark has been promoted to assistant vice president at First Bank of South Dakota - Sioux Falls Main Office. Officer elections include Jerry Peterka, ag loan officer, First Bank Sturgis, and Allen Rasmussen, ag loan officer, First Bank Wessington Springs.

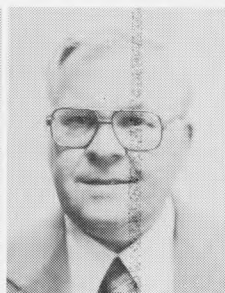
Ms. Clark joined First Bank

Worthington in 1980 as a management associate. She was advanced to ag lending officer in 1981 and in 1983 she transferred to First Bank of South Dakota - Sioux Falls Main Office.

A graduate of the University of South Dakota, Mr. Peterka joined First Bank Rapid City in 1982 as a credit analyst. He transferred to



C. CLARK



A. RASMUSSEN

First Bank Sturgis and was named ag lender representative in 1983.

Mr. Rasmussen rejoins First Bank of South Dakota as an ag loan officer after a four year absence while employed as the General Manager of Jerauld County Farmers Union. Rasmussen previously served as a loan officer in Wessington Springs in 1980.

## North Dakota News

### Fargo Executive Elected

Thomas G. Schmallen has been named executive vice president of Dakota Bank & Trust Co. of Fargo.

Mr. Schmallen joined Dakota Bank in 1975 as vice president and commercial loan officer. In 1981 was named commercial loan department head and in 1982 he was promoted to senior vice president. Prior to joining Dakota Bank, he was branch manager for the Bank of California in Hayword, Calif.

### Grand Forks Banker Receives Designation

Randy Newman, an employee of First National Bank in Grand Forks in the investments area, has completed all courses required to earn

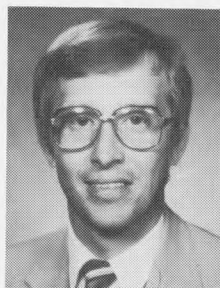
the designation of Certified Financial Planner.

Mr. Newman received his training from the College for Financial Planning, an independent, non-profit educational institution.

### Mandan President Named

Wayne N. Forgey has been named president of First Southwest Bank of Mandan. He will also have management responsibility for the First Southwest Bank in Carson.

Mr. Forgey entered the banking business in 1967, working for First Bank System in Gettysburg, S.D. He was with the Gettysburg bank until 1976 when he was named vice president of the First Bank in Cando. In 1980 he was named president in Cando.



W.N. FORGEY

### Minot Additions Announced

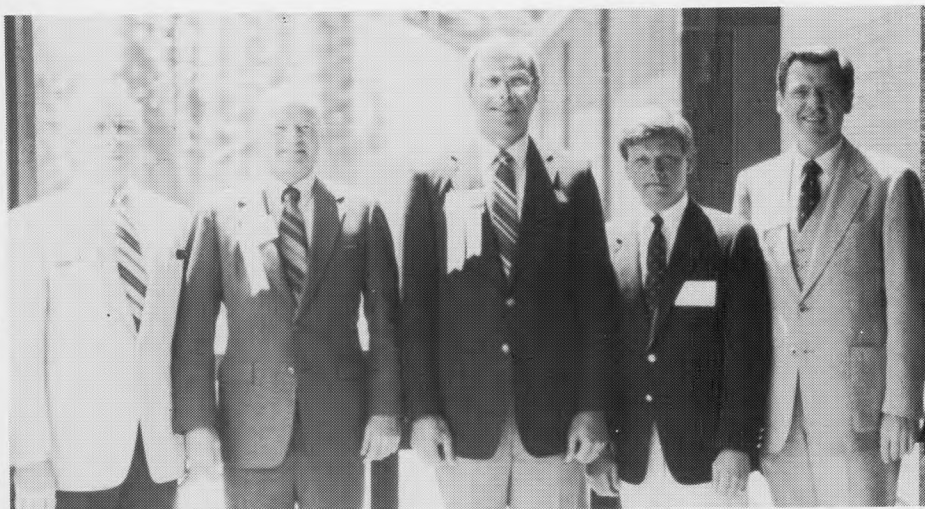
J.J. "Joe" Vihstadt, president of First American Bank & Trust of Minot, has announced the addition of two officers; Jerry Hahn and Steven Wangler.

Mr. Hahn has accepted the position of vice president of commercial credit-real estate. He worked at First American Bank & Trust of Minot for over 17 years before resigning to accept a position in Montana.

Mr. Hahn is a graduate of Minot Business College with a degree in business. He also graduated from the Colorado Graduate School of Banking.

Mr. Wangler has accepted the position of loan review officer. He previously was with the North Dakota State Department of Banking and Financial Institutions as a bank examiner, where he has been since August of 1980. Mr. Wangler attended two years at Bismarck Junior College before graduating from the University of North Dakota in December of 1979 with a degree in Banking and Finance.





**NEWLY** elected MBA Officers for 1984-85 are: Immed. Past Pres.—**Bob Sizemore**; Pres.-Elect—**Dick Timmerman**; Pres.—**Chuck Pedersen**; Treas.—**W.E. "Buster" Schreiber**, and MBA Exec. Dir.—**John Cadby**.

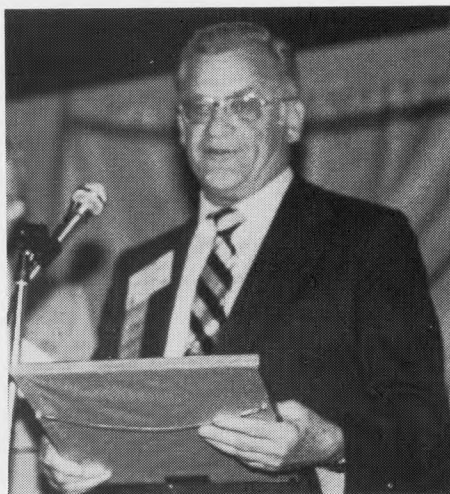
## Pedersen To Head Montana Bankers

By **STEVE BURCH**  
Associate Publisher

**T**HE BEAUTY and serenity of Big Sky Country and Big Sky Mountain provided the backdrop for the 81st annual Montana Bankers Association Convention. The convention theme, "The Renaissance Banker," painted a contrast to the escape from the rigid social restrictions of the Dark Ages into the Renaissance Period with the adaptations facing modern bankers as deregulation continues within the industry.

Highlighting the convention activities, Charles Pedersen, chairman and president of First Interstate Bank of Great Falls, was elected to succeed Robert Sizemore as MBA president for 1984-85. Elected to serve as vice president was Richard Timmerman, president of First Bank Butte, and W.E. "Buster" Schreiber, chairman and president of Mountain Bank of Whitefish, was elected treasurer. During the ABA

meeting, Dale Anderson, president and chief executive officer of Northwest Bank Great Falls, was elected to serve on the ABA Council. He joins Bruce Erickson, president of First Security Bank of Livingston.



**RETIRING** Commissioner of Financial Institutions **Les Alke** receives a plaque of special recognition for his years of service to the commercial banking industry in Montana.

In accepting the president's gavel, Mr. Pedersen called for the formation of a "blue ribbon task force" to develop a strategic plan for the MBA. He also suggested the need to consider joining forces with all other financial institutions in the state on common legislative issues and the development of economic growth in Montana.

Montana Governor Ted Schwiden was on hand to introduce fellow Governor and Convention Speaker William Janklow of South Dakota. Prior to the introduction, Governor Schwiden briefed the bankers on his recent ag policy meeting with President Reagan and Secretary of Agriculture Block.

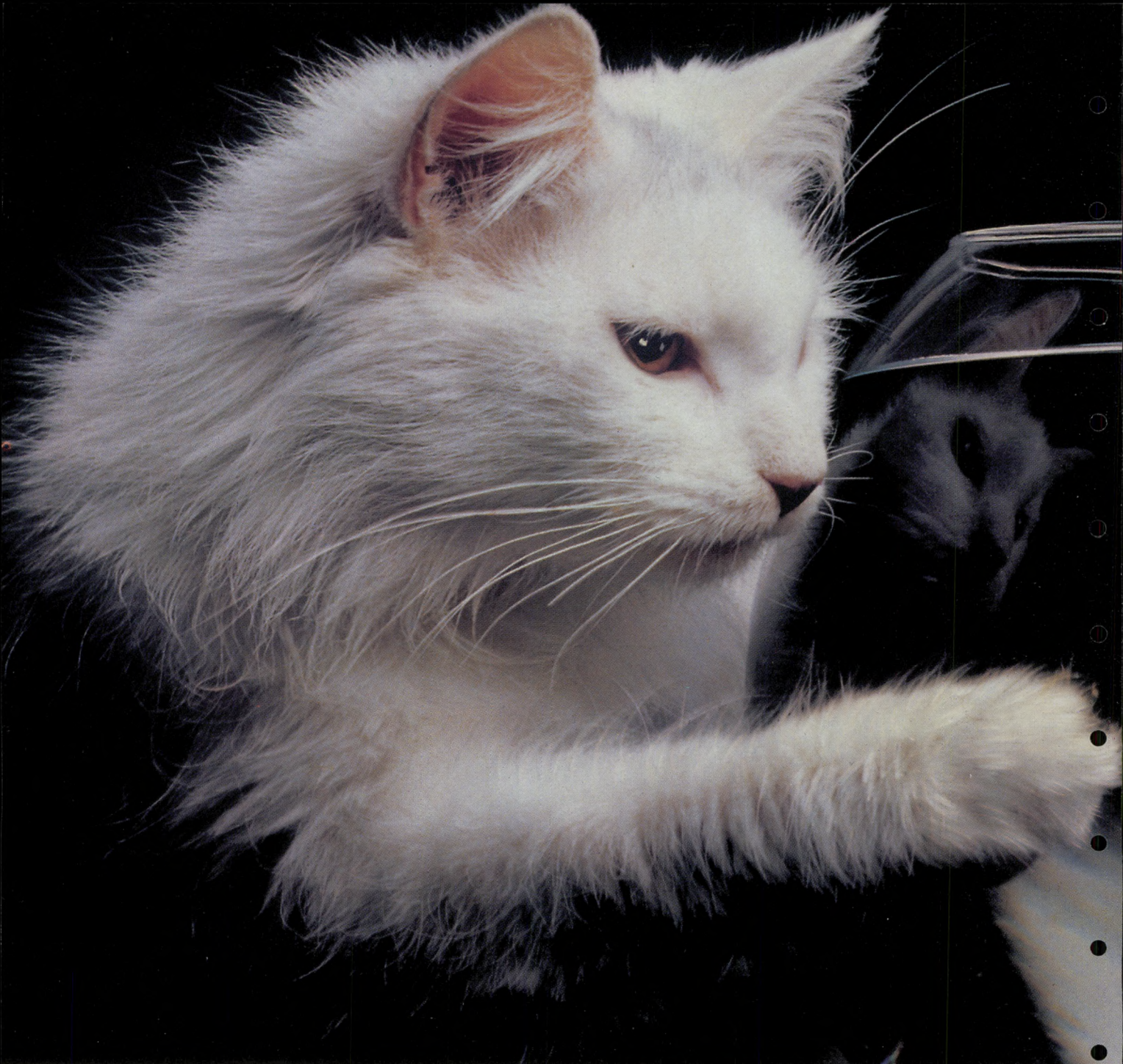
As might be expected, Governor Janklow continued his campaign for state's rights in his address to his neighbors to the west. In citing the many changes in South Dakota banking law since taking office in 1979, he stated "I'm disgusted with Washington, D.C. con jobs. We don't have any brains in congress anymore!" In relating to the issuance of state banking charters for the purpose of entering the insurance business the governor added, "If we in government can't lead, we should at least follow the people and not be an anchor around their necks. Why do we always have to say that change won't work?"

The governor also used a soap box style of delivery in speaking out for the free enterprise system. "There is virtue in free enterprise. We have forgotten in the U.S. that in our economic system you have the right to succeed. But when you take away the right to fail, all games end in a tie. The only question should be, is it a good deal for the consumer or isn't it...and if it isn't, won't the people figure it out! Now, that doesn't require a lot of government regulations."



**MBA President Bob Sizemore** passes association gavel to newly elected president, **Chuck Pedersen**. Newly Elected President-Elect **Dick Timmerman**, pres., First Bk. of Butte, looks over gift presented to **Bob Sizemore** by MBA.





# There's only one locally-owned

If you're an independent bank, you've probably noticed it's harder to keep your head above water these days.

According to a 1983 survey by a leading consulting firm, 74% of CEO's in banks with assets of over \$100 million expect their banks to acquire another bank within five years.

In this period of deregulation, mergers and acquisitions have become a common occurrence. So much so that in Rochester, New

York, the only remaining locally-owned commercial bank is First National Bank of Rochester.

Deregulation is here to stay. To help make sure you are, consider the proven alternative: a franchise with First Interstate Bancorp.

Franchising:  
the profitable partnership.

Currently, the First Interstate Bank system is the 7th largest in the nation, with assets of over \$43 billion. Together with our fran-

chisees, we have over 1,000 full-service banking offices in 14 states, making us one of the largest retail banking systems in the country. As a franchisee of First Interstate Bancorp, you have access to these vast resources.

First Interstate's goal is to use technology and product innovation to deliver unmatched financial services all over the United States.

As a franchisee, you'll benefit from many of these services. For example, you'll be included in the





# bank left in Rochester today.

Teller Item Processing System (TIPS), an on-line multi-office information system which gives customers check cashing privileges in any First Interstate office. In addition, you'll gain access to specialized services such as mortgage banking, discount brokerage, international trading and data processing.

**Franchising:**  
the success story.

Our success in the marketplace speaks for itself. Currently, Federal Reserve Bank of St. Louis

First Interstate Bancorp has franchise agreements in 6 states, including Colorado, Hawaii, Alaska, Montana, Wyoming and Wisconsin.

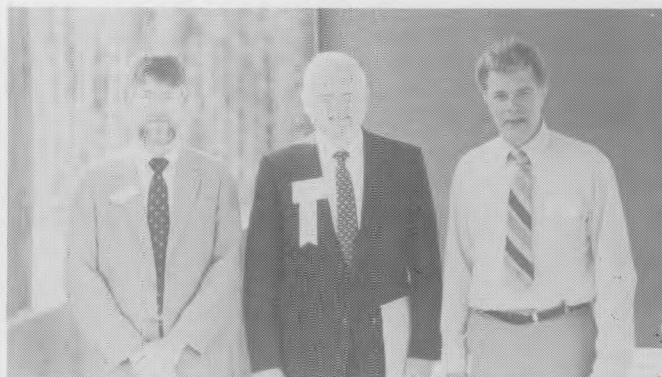
Operations in these states represent a total of 21 banks with 68 offices. By the end of 1984, their combined assets will total \$2.5 billion.

Find out more about how you can become part of First Interstate Bancorp's

successful franchise program by calling John Dean, President, First Interstate System, Inc. (213) 614-3043.

 **First  
Interstate**  
*Bancorp*

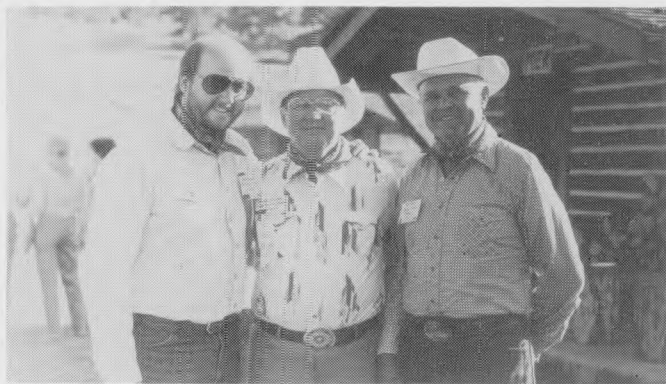




**LEFT**—MBA President **Bob Sizemore**, pres., Western Bk. of Chinook, (right) visits with Montana Governor **Ted Schwinden** and South Dakota Governor **William Janklow**. **RIGHT**—**Mike Cronin**, MBA admin. ass't., with ABA President-Elect **James Cairns**, pres., People's Bk. of Washington, Seattle, and Speaker **Jack Jackson**, chmn., LDI, Inc., Oklahoma City.



**LEFT**—**Pete Terrett**, pres. & c.e.o., Bank of Baker; **Bob Sipple**, sr. v.p., American Natl. Bk., St. Paul; **Norm Dean**, chmn., United Bk. of Greeley, and MBA President-Elect **Chuck Pedersen**, pres. & c.e.o., First Interstate Bk. of Great Falls. **RIGHT**—**Jeanie Fellman**; **Dick Holmes**, a.v.p., F & M Marquette Natl. Bk., Mpls.; **Velma** and **Carl Harbaugh**, dir., Garfield Cty. Bk., Jordon; **Carol Holmes**, and **Dale Fellman**, dir., Garfield Cty. Bk.



**LEFT**—**Bob Waller**, (far right) pres. & c.e.o., Security Bk., Billings, welcomes **Bruce Erickson**, pres. & c.e.o., and his father **Claude**, chmn., First Security Bk., Livingston, to the Security Chuckwagon Cookout. **RIGHT**—Also enjoying the Security hospitality were: **Fred Kaufmann**, v.p., and **Bob Swartz**, v.p., both with First Interstate of Denver, **Tom Scott**, Security Bk. of Billings, and **Karl Kehmeier**, a.v.p., First Interstate Bk. of Denver.



**LEFT**—**Orville Erlenbush**, cash., Mont. Bk. of Bozeman, and wife **Robin**; **Janice** and **Leroy Leavitt**, sr. v.p., Mont. Bancsystems, Billings, and **Jane** and **Herb Wagner**, pres., CFI Bankers Serv. Group, Bozeman. **RIGHT**—**Lee Schafer**, portfolio consult., and **Don Lindeman**, a.v.p., First Bk. of St. Paul, and wife **Ev** visit with **Cheryl** and **Phil Bratton**, v.p., Western Monetary Corp., Billings.





**LEFT**—MBA BankPac Chmn. **John Ronneberg**, (center) c.e.o., Citizens Bk. & Tr., Big Timber, leads fellow committee members and MBA Executive Director **John Cadby**, (second from left) in a special fund raiser during the Presidents Banquet. **RIGHT**—**Kenny Wales**, sr. v.p., First Bank, Minneapolis, and **Gary Rytli**, v.p., State Bk. of Terry, enjoy a visit during BankPac activities.



American Bankers Association President-Elect Jim Cairns, president of People's Bank of Washington, Seattle, brought the bankers up to date on the status of the House and Senate banking bills and compared the differences in two pieces of proposed legislation. Noting the lack of various expanded powers provisions, he argued that those who attribute the recent Continental woes to deregulation simply don't understand the problem. "The facts simply don't support the charges. If anything, had there been more deregulation on the asset side of the balance sheet, Continental could have diversified its loan portfolio. Deregulation is a prescription that would put banking in a state of vigor. It is up to Congress to sign that prescription." In closing, Mr. Cairns reminded the bankers of all the products and services available to them as ABA members.

Jack Jackson, chairman of Oklahoma City based LDI, Corporation, used his 23 years of experience in the airlines industry to draw a parallel between that industry and the current deregulation of the commercial banking industry. "I want to let you in on a little inside information...Humpty Dumpty was pushed," is how he describes the early stages of airline deregulation. He added that not one chief executive officer of a major airline wanted deregulation or expected it to become a reality. "I knew Orville and Wilbur personally and deregulation will never happen," was the industry-wide attitude.

Mr. Jackson effectively used many humorous examples from other industries throughout his presentation to emphasize key points. Commenting on providing

services customers want, when they want them and where they want them, he referred to free standing medical clinics in Texas shopping malls. "Young up-start doctors have opened up 'Doc in the Box' clinics." Following the laughter, he added that this may seem funny to the bankers, but it was very touchy to the doctors. He also added that when it comes to providing new products or services, most bankers are great administrators of regulations rather than competitive innovators.

During the convention, retiring Commissioner of Financial Institutions Les Alke was recognized for his years of service to the banking industry by the MBA. Following the reading of a lengthy resolution and presentation of a plaque, Mr. Alke commented, "Where as most of you feel that I should have left a long time ago, and where as most of you feel that I have been a pain in the behind, I accept this plaque with a great deal of pleasure." The convention also included several recreational activities and special interest sessions. □

### Helena Banker Retires

Stuart Ellison, vice president, agriculture and commercial officer, retired July 31 after 24 years, according to Earl Johnson, president of First Bank Helena.

Mr. Ellison joined First Bank Havre in 1960. In 1970 he transferred to First Bank Great Falls and in 1972 joined First Bank Helena.

### Billings Advancements Told

Norwest Bank Billings has promoted Wade L. Pehl to assistant

vice president and Carol A. Willis has joined the bank as installment loan officer.

Mr. Pehl joined the bank in 1980 after graduating from Montana State University with a BS degree in agriculture.

Ms. Willis most recently was with Security Bank Billings, N.A. in the real estate loan department.

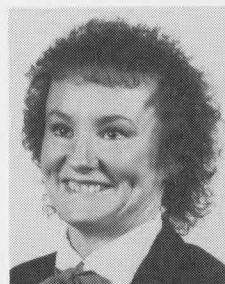
### Three Elected in Anaconda

First Security Bank of Anaconda has elected Don Clark as executive vice president and Sandra L. Conrady and Barbara A. Cook as loan officers.

Mr. Clark, elected to the board in 1981, has served as vice president in charge of the commercial loan



**D. CLARK**



**S.L. CONRADY**



**B.A. COOK**

department for several years. In 1982 he was promoted to senior vice president and senior credit officer. He has been with First Security since 1972.

Ms. Conrady joined First Security in 1969, specializing in real estate lending. Ms. Cook started in 1974 part-time while attending school and joined full-time in 1980.

## One Promoted, Four Join Bozeman Staff

Several promotions and additions have been announced at First National Bank in Bozeman.

J. Scott Heck has been promoted to personnel director in addition to vice president and manager of real estate. He joined the bank in 1983 and previously was assistant adjunct professor of banking and finance in Montana State University's School of Business.

Robert A. Thomas has joined the staff as assistant vice president and assistant manager of the real estate department. He previously was branch manager of Home Federal Savings & Loan.

J.C. Yarde and Judy Hyde have joined as personal bankers and Cindy L. Lane as operations officer.

Mr. Yarde previously was with General Motors Acceptance Corporation in Spokane, Wash. Ms. Hyde started her career in 1975 and most

recently was with First National of Whitefish as installment loan officer. Ms. Lane has been with Security Bank of Billings since 1979, most recently as operations assistant.

## Four Added, One Elected At First Bank Billings

First Bank Billings recently announced the addition of four new officers and the election of one.

Mark DeGroot and Mike Richards have joined the bank as vice presidents in commercial loans. Mr. DeGroot joins the bank from Lloyds Bank of California, where he was manager of regional corporate banking, Sacramento. He also spent five years with Wells Fargo Bank of California. Mr. Richards began his banking career with Crocker National Bank in 1975. He most recently was with Lloyds Bank of California in Sanger.

Pat Capser, new assistant vice president in agricultural loans, pre-

viously held ag positions with First Bank Lemon, S.D., Wells Fargo Ag Credit Corporation and most recently, Security Bank of Montana.

Carol Troth, new executive and professional banker, is a transfer from First Bank Minneapolis, where she began her career in 1972.

John Paulson has been elected consumer finance officer. He joined the bank's staff in 1978 as an outside adjuster and was promoted in 1979 to unit manager.

## FBS Acquires Hoines LaBar

First Bank System, Inc., Minneapolis, has acquired the Hoines LaBar Insurance Agency in Billings. The agency will be a subsidiary of FBS Insurance, the company's insurance brokerage operation.

James D. Hoiness, with Hoiness LaBar for 30 years, will become regional vice president for Montana and will continue to manage Hoiness LaBar and the FBS Insurance agencies in Forsyth and Fort Benton.

## Wyoming

R.T. Noel, exec. v.p., Cheyenne  
G. Tea, exec. dir., Laramie



## Promoted in Casper

First Interstate Bank of Casper, N.A. recently announced the promotion of Gary Sloan to vice president of the construction loan department and Pat Papa to assistant personnel officer.

Formerly a construction loan officer, Mr. Sloan has been with the real estate financing division of First Interstate for the past year.

Formerly a personnel assistant, Ms. Papa has been with First Interstate for the past four years.

## Cheyenne Promotion Told

Barbara Berg has been promoted to assistant vice president, human resources, of First Wyoming Bancorporation, Cheyenne, announced David R. Johnson, chairman, president and CEO.

Ms. Berg joined the corporation

in 1983 as a job analyst and her most recent position was personnel officer.

## Convention Dates Are Set

Dates for the next three annual conventions of the Wyoming Bankers Association have been announced. A departure from recent years is that the conventions will start with registration on Sunday, with the traditional golf, tennis and fishing tourneys on Monday. The conventions will conclude at noon on Wednesday instead of Friday, as in the past. The conventions will continue to be held at Jackson Lake Lodge, Moran. The convention dates are:

1985—June 16-19  
1986—June 15-18  
1987—June 14-17

## Lovell Charter Receives Preliminary Approval

Organizers of Lovell National Bank have received preliminary approval from the Comptroller of the Currency for a national bank charter to be located at 284 East Main Street in Lovell. Spokesperson for the bank is Richard S. Nelson of Powell.

## Elected in Shoshoni

The First State Bank at Shoshoni has elected Robert I. Adams president and chief executive. He previously was vice president of the Pioneer Bank of Evanston.

## Casper Directors Appointed

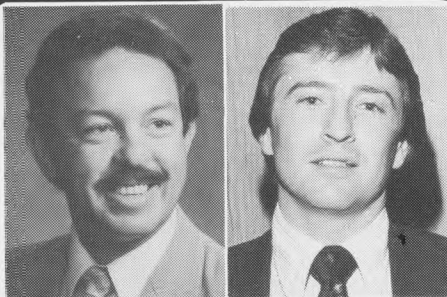
Wyoming National Bank, Casper, has announced the appointment of four new directors: Bob Barnard, Marvin A. Keller, Peter I. Wold and Martin Lee Sullivan.

Mr. Barnard is a partner in the Barnard Realty and Insurance Companies. Mr. Keller is currently an independent geologist. Mr. Wold is manager of Lands of Wold Minerals Company and president of Wold Drilling Incorporated. Mr. Sullivan has been in the ranching business most of his life with Sullivan Land Company and is president of the livestock company.



## Colorado

C. Kern, pres., Denver  
D.A. Childears, exec. mgr., Denver



### President and CEO Named At First Interstate, Denver

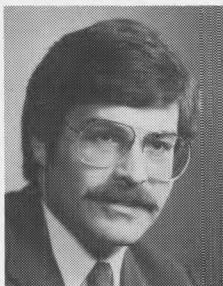
Robert J. Malone has been named president and chief executive officer of First Interstate Bank in Denver. Robert E. Lee, former chairman and CEO, has agreed to remain as chairman. John Eggemeyer III, who had been serving as president, resigned.

Mr. Malone had been with First Interstate Bank in Boise, Idaho.

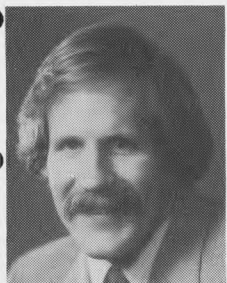
### Denver Promotions Told

Central Bank of Denver recently promoted Daniel A. Rich to vice president in the trust group and four others to assistant vice president. Mr. Rich joined the bank in 1980.

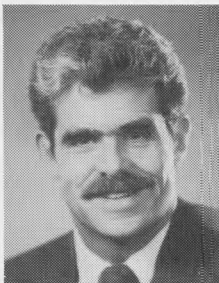
Promoted to assistant vice president are: Ken Buckius, Robert Green,



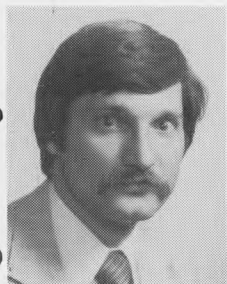
D. RICH



K. BUCKIUS



R. GREENE



M. MC CALL



M. ROECKER

Michael McCall and Marcia Roecker. Randall F. Komisarek has been promoted to senior staff attorney.

He joined Central in 1981 as staff attorney.

New officers include: Dennis W. Orcutt and Brad L. Meuli, commercial loans; Linda F. Rounds and Larry Risk, operations; E. Jane Mayberry, retail planning, and Nancy L. Northrup and Pamela C. Rice, retail banking.

### Denver National Obtains \$2 Million for Student Loans

Denver National Bank will obtain up to \$3 million in funds for making new student loans from the Student Loan Marketing Association of Washington, D.C.

Denver National will obtain the funds by selling existing student loans from its portfolio under a two-year Forward Purchase Commitment from Sallie Mae.

### One Denver Promotion Told

Colorado National Bankshares, Inc., Denver, has promoted Daniel H. Sise, Jr. to assistant vice president of marketing.

He joined the company in 1982 as marketing coordinator for subsidiary banks.

### Two Appointments Told

C. Jerome Chandler has been appointed assistant vice president, real estate, and Ray Czerwinski has been named accounting officer for First Colorado Bank & Trust, Denver.

New to the bank, Mr. Chandler previously was with Denver National Bank. Mr. Czerwinski has been with First Colorado and Affiliated Bankshares of Colorado for four years as a teller and an auditor.

### Five Promoted in Denver

Colorado National Bank of Denver recently announced the promotion of Thomas M. Foncannon to vice president; James Dealy, Donald Metzinger and Sammy Reiser to as-

sistant vice president, and Wayne Warren to banking officer.

Mr. Foncannon joined the bank in April of this year in the energy division. He previously was with First Interstate Bank of Denver, where he held positions in correspondent banking, energy lending and special loans.

Mr. Dealy, who was promoted in the national accounts division, joined the bank in 1977. Mr. Metzinger also joined the bank in 1977, as senior investigator. Mr. Reiser began his career with the bank in 1963 as an auditor. Mr. Warren joined Colorado National in 1981 as a credit analyst in the commercial loan department.

### Durango President Elected

Samuel E. Monroe has been elected president and a director of United Bank of Durango.

Mr. Monroe formerly was with First National Bank of Maryland, serving as a senior vice president and regional division manager.

### Acquisition Negotiated

United Banks of Colorado, Inc., Denver, has completed negotiations to acquire Garden of the Gods Bank in Colorado Springs. The acquisition is contingent on Federal Reserve Board approval.

Garden of the Gods bank has assets of approximately \$20 million.

### Lakewood President Elected

Colorado National Bank - Lakewood has elected Joy Prater as president, announced Richard G. Adamson, chairman.

Mrs. Prater has 20 years of banking experience behind her. She joined the Lakewood bank in 1969 and most recently was vice president and cashier.

### Dominion President Named

Vic Kearney has been named president of Dominion National Bank, Denver. Prior to joining Dominion, Mr. Kearney spent eight years in the commercial lending department of First National Bank of Oklahoma City. Most recently he was division head of southwest lending for the bank.

Joining Dominion as senior vice president of commercial banking is Steven I. Butler. He formerly held a

similar position with Century Bank in Denver.

Dominion also announced that W. Warren Culpepper has been promoted to executive vice president. He joined the bank two years ago after 19 years with Central Bank of Denver.

### New President Elected

William R. Frogge III has been elected president of Colorado National Leasing, Inc., a subsidiary of Colorado National Bankshares, Inc. He started his banking career in 1966 and was named president of Colorado National Bank - Lakewood in 1974.

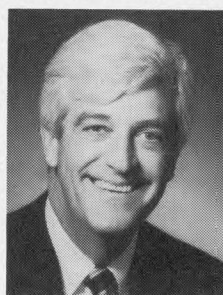
### Joins Englewood Bank

Gregg D. Carr has joined First Interstate Bank of Englewood as vice president in commercial lending. He joined First Interstate of Denver in 1980 as vice president and cashier, and prior to that time was with First Bank of Westland.

### Denver Director Named

Richard N. Brown was recently elected to the board of First Colorado Bank & Trust, Denver, according to Charles L. Ferguson, chairman.

Mr. Brown is an independent commercial real estate developer in Vail. Prior to that he spent 14 years in the insurance and securities business in Denver.



R.N. BROWN

### Brokerage Firm Leases First Interstate Lobby

First Interstate Bank of Denver has become the first bank in Colorado to lease prime lobby space to a full-service brokerage firm, according to John R. Wells, executive vice president, retail banking.

Wedbush, Noble, Cooke, Inc., now offering its services from the bank's

main lobby, will be staffed by David Pasternak, an investment executive.

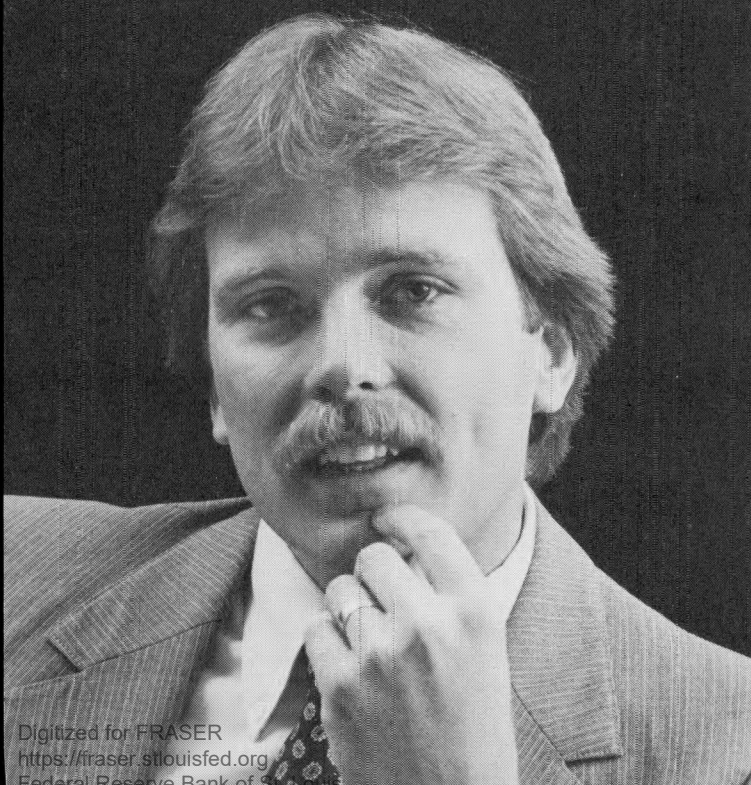
### CBI Announces Investment By AmeriTrust Corp.

AmeriTrust Corporation and Central Bancorporation, Inc. of Denver have entered into an agreement whereby AmeriTrust would purchase a 92 percent equity interest in Central Colorado Company, a partnership which owns approximately 95 percent of CBI. The interest would be purchased indirectly from D.H. Baldwin Company.

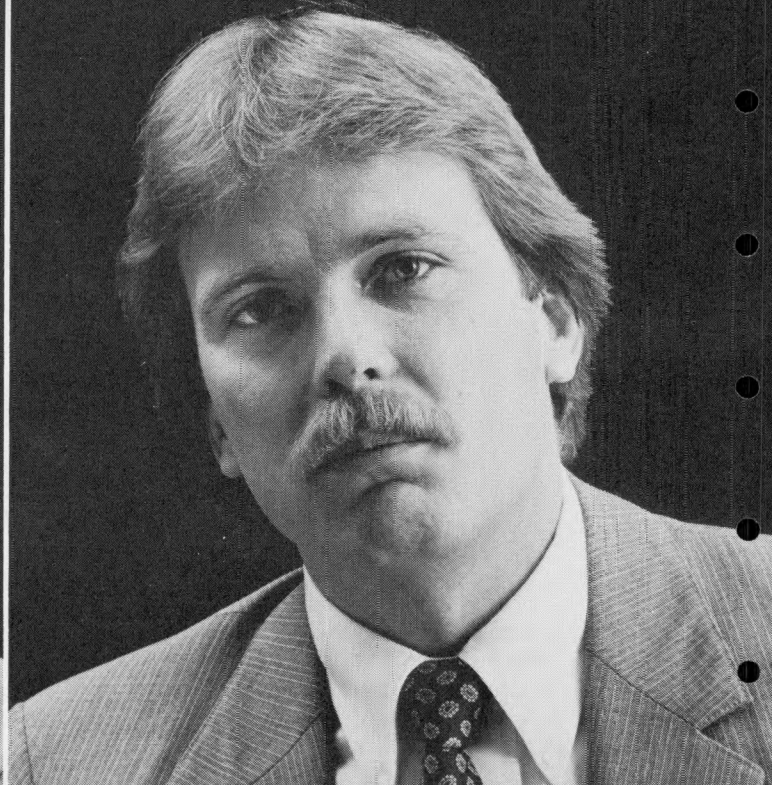
The agreement is subject to the approval of the Board of Governors of the Federal Reserve System. In addition, since D.H. Baldwin Company is currently in reorganization under Chapter 11 of the Bankruptcy Code, the agreement will also require the approval of D.H. Baldwin, the bankruptcy court and certain equity and creditor groups.

The current directors and management of CBI, and the management of the CBI member banks will

"There's nothing routine about being a correspondent banker. And that's what I enjoy about my job."



"Here are a few typical examples. A couple of months ago, I was in Wyoming putting together a loan for the construction of a drilling rig."





continue without change, according to terms of the agreement.

### Frisco Director Elected

Dennis D. Johnson, president of Summit County Bank, Frisco, has announced the election of Keith M. Van Velkinburgh to the bank's board.



K.M. VAN  
VELKINBURGH

Mr. Van Velkinburgh is president of the Bulrich Corporation which operates Christy's Sports Retail Ski Shops. He replaces Charles P. Anderson, who recently resigned.

Kyle, Sharon A. Lundstrom, James L. Volz and Douglas R. Woods.

Ms. Horn joined the bank in 1953 and is senior personal banker in consumer banking.

Mr. Larsen, assistant manager in loan analysis, joined the bank in 1981.

### Promoted in Grand Junction

Craig A. Coburn has been promoted to accounting officer at Colorado National Bank - Orchard Mesa, Grand Junction.

Mr. Coburn has been with the bank since December of 1983 as an accountant.

### WESTNET Moves Forward With "Bankers' Bank"

WESTNET, the western regional banking group, is establishing WESTNET Bank N.A. to be based in Denver. It will be the first nationally chartered, interstate, "bankers bank." The Federal Reserve Board took necessary action to allow the organization to proceed with establishing the bank. The Of-

fice of the Comptroller of the Currency already has given WESTNET preliminary approval for the national charter.

Current WESTNET members include United Banks of Colorado, Inc. of Denver, Bancorp Hawaii of Honolulu, Valley National Corporation of Phoenix and Wells Fargo and Company of San Francisco.

"Upon final approval, the new charter will allow WESTNET to expand the financial services it presently offers to member banks," N. Berne Hart, WESTNET chairman and president and chairman of United Banks of Colorado, Inc., said. "New services which we will be considering include enhancing current asset/liability programs and those related to settlement of correspondent banking accounts. Currently, WESTNET offers a cash concentration network, a lockbox network, discount brokerage services, a check guarantee acceptance program and relocation services tailored to assist in transferring bank accounts from one bank to another."

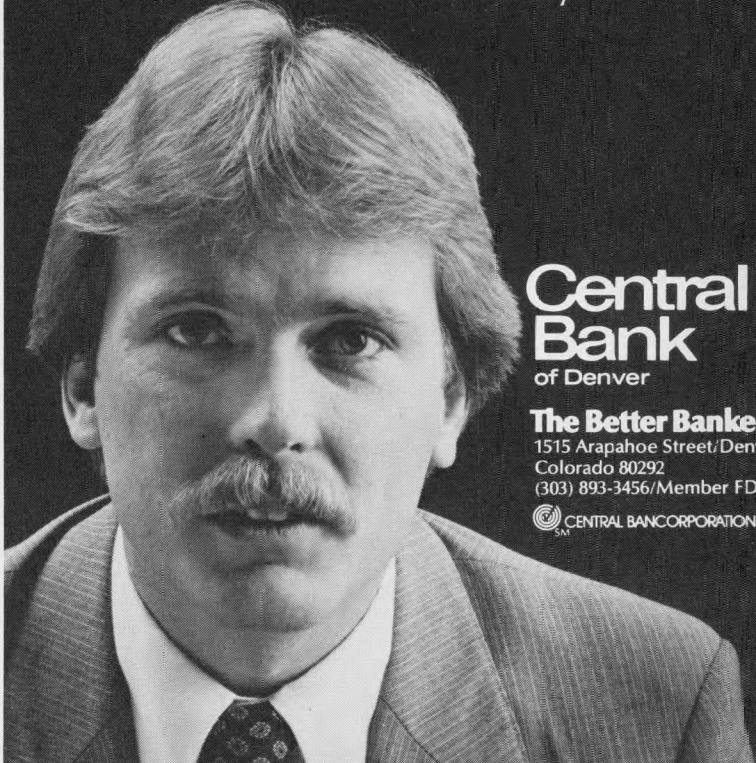
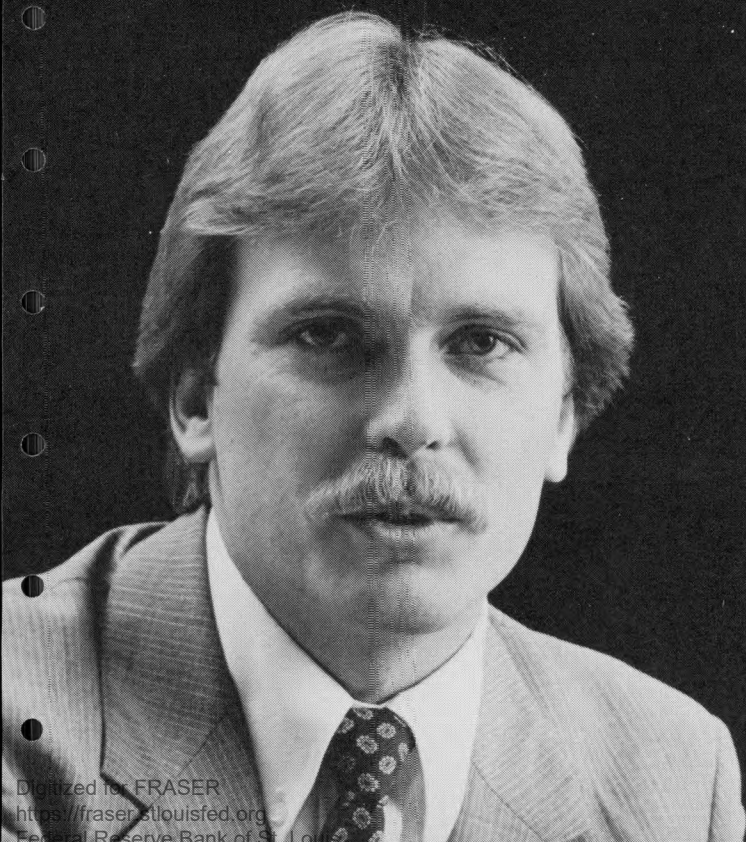
### Promoted in Denver

At United Bank of Denver, De-  
lores V. Horn and David W. Larsen were promoted to assistant vice president. Named officers were: David M. Carlson, Mickie D. Crowell, Cynthia S. Kippur, Patti L.

"From there, it was down to Northern Colorado to assist in the organization and financing of a new bank charter."

"Then to Utah to help a correspondent bank arrange membership in the VISA PLUS System®

I said I enjoy my job. And I'd like to go to work for you. That's what it means to be a Better Banker. Please give me a call. I'm Rick McElroy."



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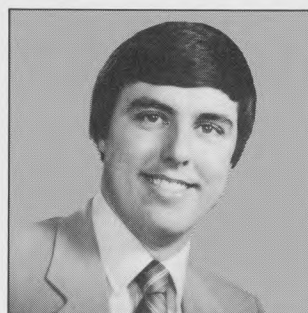
CENTRAL BANCORPORATION



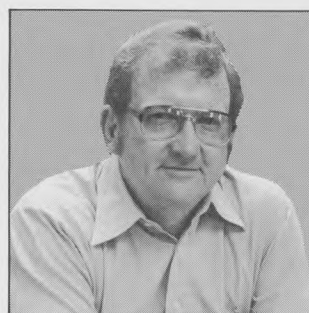
Mic Brosius  
Bank of Stapleton



Russ Rabeler  
Farmers State Bank, Dodge



Chuck Leffler, Jr.  
Security State Bank of Holbrook



Jim McGinness  
Farmers State Bank, Plymouth



George Haase, Jr.  
Crofton State Bank



Willard Behrends  
State Bank of Elk Creek



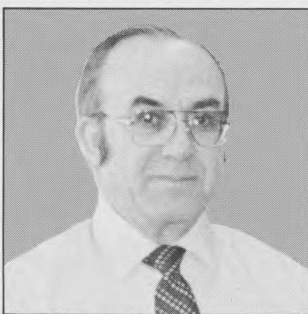
Randy Burns  
Home State Bank, Humboldt



Meredith Williams  
First State Bank, Beaver City



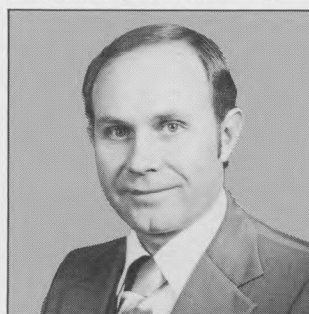
Jerry Puritan  
First National, Wisner



Don Bell  
Crawford State Bank



Marsha Wilhelm  
The Dawson Bank, Dawson



Wayne Hoskinson  
The Sioux National Bank, Harrison

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## Nebraska

A.C. Hove, Jr., chmn., Minden  
S. Matzke, Jr., exec. v.p., Lincoln



## NBA Committee Chairmen Named

**A.** C. HOVE, Jr., chairman of Minden Exchange Bank, and president of the Nebraska Bankers Association, has announced the formation of the standing committees for the association for 1984-85. The following have been named chairmen:

**Agriculture Committee**—Tom Henning, president and CEO, Overland National Bank, Grand Island.

**Bank Management Committee**—Chuck Leffler, chairman, Sioux National Bank, Harrison.

**BankPAC Committee**—Chairman for this committee is Bruce Madden, chairman and president, American National Bank, Kimball. Vice chairman for the committee is Jim Fox, Jr., president, First National Bank, Albion.

**Education Committee**—John Green, president, Wauneta Falls Bank, Wauneta.

**Government Relations Commit-**

**tee**—Ron Krejci, president, Schuyler State Bank, Schuyler.

**Loans & Investments Committee**—Don Harms, president, First National Bank, Syracuse.

**Marketing Committee**—Vollis Summerlin, vice president, First National Omaha.

**Personnel Committee**—Vicki Clarke, personnel and marketing officer, Overland National Bank, Grand Island.

**Planning Committee**—Jim Kenner, president, Thayer County Bank, Hebron.

**University Foundation Allocation Committee**—Dick Armstrong, chairman of the executive committee, Minden Exchange Bank.

**Pension Committee**—Joe Twidwell, vice president, Fremont National Bank.

**Correspondent Banking Committee**—Dan Boehle, vice president, Omaha National Bank.

## Application Filed For New Alliance Bank

Application has been filed with the Nebraska Department of Banking for a new state bank to be located in Alliance and known as Western Bank.

Organizers include: Deryl Hamann, Gerald Anderson, Ronald Hiatt, Rock Sumner and E.A. Wearin.

## Creston Branch Approved

The Farmers National Bank of Madison has received approval from the Comptroller of the Currency to open a branch at Fourth and Pine Streets in Creston.

## Joins Papillion Bank

Marvin G. Rohn recently joined Bank of the Midlands in Papillion as vice president and ag representative.

Mr. Rohn has 23 years of banking experience. After receiving a B.S. degree in accounting from the College of Business Administration at the University of Nebraska-Lincoln in June, 1961, he joined The Omaha National Bank that same month. During his 20-year career with that bank, he worked most of the time with the correspondent bank and agricultural division, becoming vice president in December, 1972.

He left The Omaha National in August, 1981, to join the Federal Land Bank of Omaha as vice president and head of the client standards section.

In addition to completing the AIB Advance Certificate course in 1968, Mr. Rohn completed the Iowa Bankers Association Ag Credit School at Iowa State in 1970, the Colorado Bankers Association Graduate School of Banking at Boulder in 1973 and the American Management Association course in 1982. He has authored numerous articles for livestock and banking magazines, as well as addressing many farm livestock and banking groups. Mr. Rohn also is a contributing author to a *Bank Credit* text book published by Harper & Row.

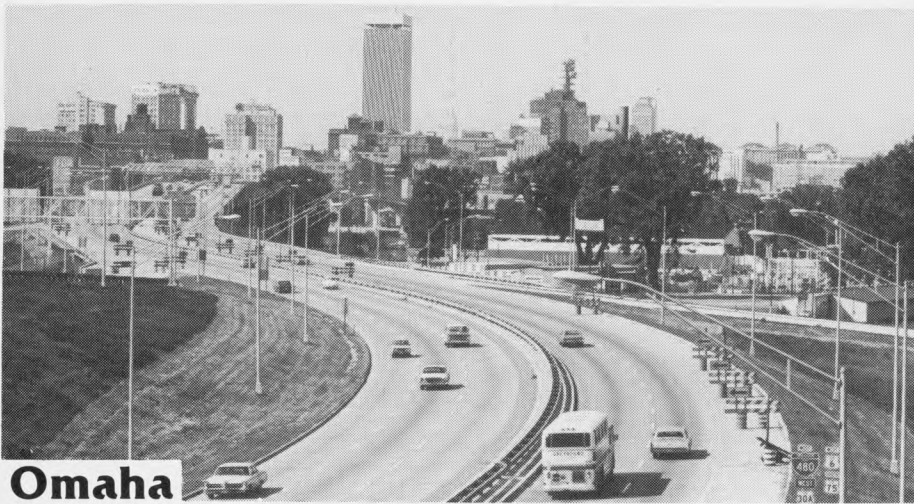


M.G. ROHN

## Norfolk Financial Center Plans Approved



Duane Acklie, chairman of Bank of Norfolk/Norfolk Financial Center, has announced the board's approval of plans to start construction of a new bank building on the northeast corner of the junction of Highway 81 and 275 in Norfolk. The three-story, 24,000 sq. ft. financial center will include a two-story atrium, a lower level accessible with an open staircase from the main lobby and a drive-through bank facility. The top floor will be leased to other business professionals. Following the completion of the new bank building, anticipated for spring of 1985, the existing building will be demolished. Bank of Norfolk was chartered in 1969 and opened February, 1970. In 1983 it adopted the trade name of Norfolk Financial Center.



## Omaha

John D. Woods, chairman of First-Tier Mortgage Co., formerly known as Realbanc, Inc., has announced the promotion of **Karen J. Kennedy** and **Larry J. Richling** to vice president.

Ms. Kennedy, who heads the loan administration division, joined the company in 1974 as a loan adminis-

tration supervisor.

Mr. Richling joined First-Tier Mortgage in 1977 as a mortgage loan officer.

\* \* \*

Last month, Citibank opened its second Citicorp Center at 76th and Dodge in the Crossroads Shopping Center. The first Citicorp Center, located in Westwood Plaza at 120th and West Center Road, was opened May 30. A third Center will be opened in the fall at the Parkfair Shopping Mall in downtown Omaha.

The newest Center is a free-standing building featuring two drive-up ATMs and is designed to be a full-service facility during the day and a 24-hour cash access center.



K.J. KENNEDY

L.J. RICHLING

## Norwest Corporation Names Scholarship Winners

Ten students, children of parents who are employed by various Norwest institutions in Nebraska and western Iowa, have been awarded scholarships from the Norwest Corporation Scholarship Program. They are: Norwest Bank Omaha, N.A. - Mark Hansen, Scott Koenigsman and Jeffrey Vogt; Norwest Bank Omaha South, N.A. - Barbara Hoelting; Norwest Capital Management & Trust Company Nebraska - Steven Cook, Kathryn Eischeid and Maureen English; Norwest Bank Norfolk, N.A. - Bonnie Fendrick; Norwest Bank Denison N.A., Iowa - Mark Neddermeyer; and Norwest Bank Hastings, N.A. - Randall Kimminau.

A total of 114 scholarships covering tuition and academic fees for full-time, post-high school education programs were awarded by Norwest this year. Applicants were measured on their educational performance and leadership ability. Criteria included grade point average, personal and school references, participation in school and community activities and work experience.

Mark Hansen is the son of Richard Hansen, who is loan clerk at Norwest Bank Omaha.

Scott David Koenigsman's father David, is vice president in the corporate banking division at Norwest Bank Omaha.

Jeff Vogt's mother, Florence, is a credit file clerk and has worked at Norwest Bank Omaha nearly three years.

Barbara J. Hoelting is the daughter of Victor D. Hoelting, vice president, metropolitan banking, at Norwest Bank Omaha South.

Steven L. Cook's mother, Sharon, has worked for Norwest Capital Management & Trust Company for 17 years.

Kathryn Eischeid's father, Larry, is second vice president and manager of the trust tax division of Norwest Capital Management & Trust Company Nebraska.

Maureen Ann English is the daughter of J. Richard English, a senior vice president at Norwest Capital Management & Trust Company Nebraska.

Bonnie Fendrick's mother, Jeanne, is teller supervisor at the

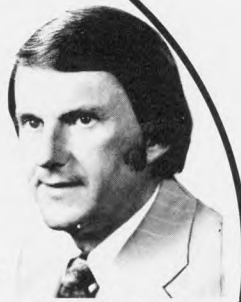
## NEBRASKA NEWS . . .

(Turn to page 44, please)

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Don Ostrand



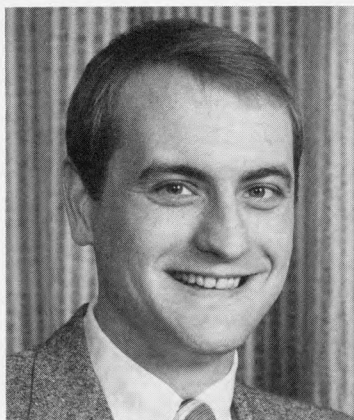
Ralph Peterson



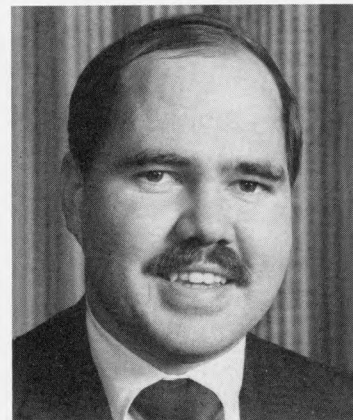
Jim Flodine



Fred Kuehl



Gerry Tomka



Tom Jensen

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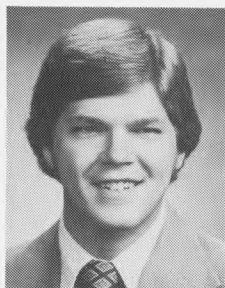


## Lincoln

**Mark J. Matthes** has been elected vice president & operations manager in the First National Lincoln Administrative Services Division.

Mr. Matthes joined First National Lincoln in 1974. He was named installation officer in automated customer services division in 1978, operations officer in administrative services in 1981 and assistant vice president in 1982.

A native of Lincoln, Mr. Matthes attended the University of Nebraska-Lincoln and is currently enrolled in the School for Bank Administration at the University of Wisconsin.



**M.J. MATTHES**

## Appointed in Fremont

**Daniel C. Dutch** has been appointed auditor for First National Bank and Trust Company of Fremont, according to R.M. Fritz, president.

Formerly assistant vice president in operations for Norwest Bank Omaha South, Mr. Dutch joined Omaha National in 1955 as a teller. He then moved to Douglas County Bank and Trust in 1961 as a management trainee and was later appointed assistant cashier. He joined the South Omaha Bank as auditor in 1964. In 1973 he moved to North-



**D.C. DUTCH**

western National Bank, later Norwest Bank-South.

## United Gateway Bank Charter Approved

The proposed United Gateway Bank and Trust Company has received approval from the Department of Banking and Finance for a bank charter to operate at 61st and "O" Streets in Lincoln.

Organizers for the bank are: James F. Nissen, president, Gateway Bank & Trust Co., Lincoln, Glenn Yauffi, Paul C. Schorr, III, Gene H. Tallman and Judy Adams.

## NEBRASKA NEWS . . .

(Continued from page 42)

Norwest Bank Norfolk, N.A. where she has worked for nearly 10 years.

Mark R. Neddermeyer's mother, Marjorie, is customer service officer at Norwest Bank Denison, N.A., Iowa, and has been with the bank since March of 1972.

Randall Kimminau is the son of James Kimminau, who is auditor at Norwest Bank Hastings where he has worked for 25 years.

## Lincoln Hearing Examines Citicorp's Omaha Offices

A hearing to probe the legality of the two Citicorp Centers opened recently in Omaha by Citicorp Credit Services was conducted last month by the Nebraska banking department. Although the results were inconclusive, Banking Director Roger Beverage scheduled a trip to the Citicorp Omaha offices for July 31 to examine the physical premises and the procedures followed in utiliz-

ing ATMs to handle customer accounts.

Dee Kalligar, attorney for Citicorp, who developed the Citicorp sales offices that are tied to Citibank South Dakota, N.A., said Citicorp's activities are "100% legal; they fully comply with federal and state statutes." He added that "federal statutes clearly permit the soliciting of customers nationally."

Protestors from several banks and the Nebraska Bankers Association noted that the issue is whether Citicorp can open the service offices to solicit deposits, then by a technical move with ATMs or mail have those solicited deposits shipped out-of-state to Sioux Falls. NBA's General Counsel Bill Brandt said, "Isn't it still considered improper to do something indirectly that you can't do directly?"

The two Omaha Citicorp Centers will be joined by a third one in that city in October. Together, the three will have 21 employees and they will continue to solicit Nebraska funds to be shipped out-of-state, Mr. Kalligar stated.

Two banks who availed themselves of the opportunity to question Citicorp representatives were Douglas County Bank & Trust Co. of Omaha and Southwest Bank and Trust Company of Omaha.

Clerks in the Citicorp Centers open new accounts, the customer sends the deposit by mail to Citibank South Dakota, then the customer can access the account by check or ATM.

## Copple Pleads No-Contest

Federal and state officials in Nebraska accepted a no-contest plea last month from S.E. Copple, 87-year old former president of the Commonwealth Savings Co. of Lincoln, which failed last fall while he was its president. The plea exempts him from further prosecution in exchange for cooperating with the continuing investigation into the dealings that led to Commonwealth's downfall.

The maximum penalty he can receive on each charge is five years in prison and \$10,000 fine. In county court he pleaded guilty to making a false entry to deceive state examiners. In federal court he pleaded guilty to false entries in the books at Security Savings Co. in Beatrice, which his family owned and operated.



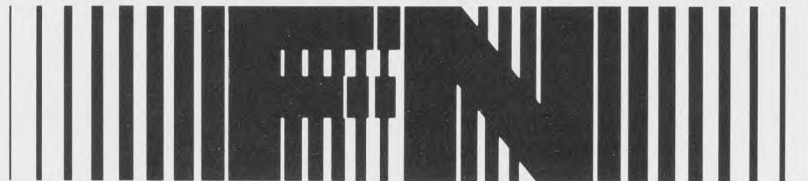
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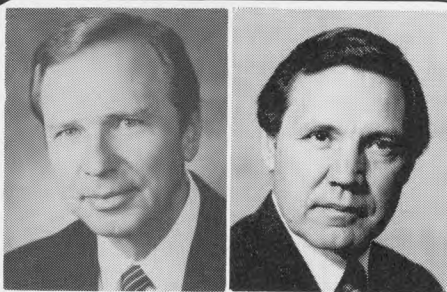
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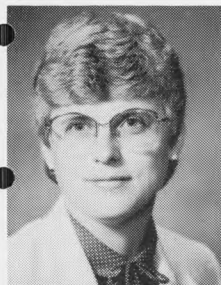
Iowa

A. Maser, pres., Le Mars  
N. Milner, exec. v.p., Des Moines



## IYBA Officers Attend PEP Meeting in Washington

Barbara Marcus and Raymond Schirmer recently represented the Iowa Bankers Association at the American Bankers Association PEP States Meeting last month at the Washington Marriott Hotel in Washington, D.C. They are president and vice president respectively of the Iowa Young Bankers Association.



B. MARCUS



R. SCHIRMER

The IYBA is responsible for the administration of the PEP program in the Iowa region. Ms. Marcus is cashier at Maquoketa State Bank and Mr. Schirmer is vice president and controller of Norwest Bank Marion, N.A.

Highlights of the meeting included training in the use of a newly developed economic education package for grade school students; and presentations from representatives of the American Association of School Administrators, The Joint Council of Economic Education and 1984's National Teacher of the year.

The Personal Economics Program is a volunteer effort of bankers working with educators to supplement educational programs by making presentations on topics such as personal finance, banks and banking and the financial system.

## IBA Sponsors Financial Planning Institute

The Iowa Bankers Association is sponsoring a Financial Planning Institute to be presented in six parts

during the months of August through January at the Scheman Center in Ames.

Course agenda has been broken down into six parts: Introduction to Financial Planning; Risk Management; Investments; Tax Planning and Management; Retirement and Estate Planning, and Counseling Skills, Computer Analysis and Case Studies.

Faculty for the institute includes: David C. Craig, partner of Brown, Winick, Graves, Donnelly and Baskerville in Des Moines; Tahira K. Hira, assistant professor in the department of family environment at Iowa State University, Ames; Mark L. Power, assistant professor of insurance at Iowa State University; August R. Ralston, associate professor of insurance and risk management at Iowa State University; Roger D. Stover, associate professor of banking and finance at Iowa State University; Howard E. Van Auken, assistant professor of finance at Iowa State University, and Marvin Winick, managing partner of Brown, Winick, Graves, Donnelly and Baskerville in Des Moines.

The institute will run from 8-4:30 on August 28-30; September 25-27; October 23-25; November 27-29; and January 2-4 and 29-31. For more information contact Lee Schenk at the Iowa Bankers Association in Des Moines.

## National Charters Approved

Several banks recently received approval from the Comptroller of the Currency to convert from a state to a national charter. They are:

Security Savings Bank, Scranton, under the proposed title of Security National Bank, and The Lone Rock Bank, Lone Rock, under the proposed title of The Lone Rock Bank, N.A.

Cambridge State Bank has filed an application to convert to a national charter with the proposed title of First National Bank.

## Keystone President Named

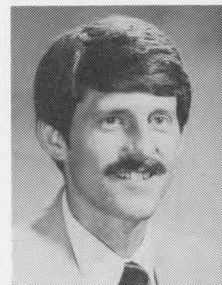
Robert G. Roesse, president of Keystone Savings Bank, has been promoted to chairman and chief executive officer. He succeeds Roland A. Hellwig as chairman. Mr. Hellwig retired in June after 39 years of service. In addition, Steven L. Wilson was promoted from executive vice president to president and Grace Wiese was promoted to vice president and cashier from cashier.

Mr. Hellwig joined the bank in 1945, was named president in 1970 and has served as chairman since 1982.

## Joins Treynor State Bank

Richard Purdy has joined Treynor State Bank as ag loan officer.

A 1977 graduate of Iowa State University, Mr. Purdy has a BS degree in ag business and a minor in farm management. He previously was employed by the Southwest Iowa



R. PURDY

Farm Business Association, where he has been since 1977. He is also a licensed real estate salesperson.

## Four Join Hills Bank

Hills Bank and Trust Company, Hills, has announced that August Steffen has joined the bank as an insurance officer. Prior to joining the bank, he was with the White Insurance Agency in Coralville.

Three recent graduates of Iowa State University have joined Hills Bank and Trust in its management trainee program. They are Dale R. Kretschmar, a native of Tipton who received a BS degree in animal science; Tim D. Finer from Thompson whose degree is in agricultural business, and Kurt Kastendick, an Alden native with a degree in agronomy.

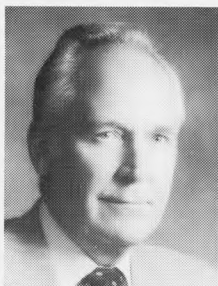
The bank also announced the election of Earl M. Yoder to its board. Mr. Yoder, who was also elected to the board of Hills Bancorporation, is president of Old Capitol Motors, Earl Yoder Construction Company, Kalona Builders Supply Company, Iowa City Ready Mix, Inc. and Bryan Mawr Heights Development Company.

## Hawkeye Agrees to Purchase UCB

**A**N AGREEMENT in principle to merge United Central Bancshares into Hawkeye Bancorporation was jointly announced at a press conference July 20 by Paul D. Dunlap, president and chief executive officer of Hawkeye, and Kenneth M. Myers, president and chief executive officer of UCB. Both are Des Moines-based multi-bank holding companies. Hawkeye would be the survivor, with a total of 49 banks in 38 Iowa counties and assets of approximately \$3 billion.



P.D. DUNLAP



K.M. MYERS

The proposal is subject to approval of a favorable vote by holders of two-thirds of the stock of each company, as well as approval by federal and state regulatory bodies. In addition, to meet Iowa's 10% statewide deposit limitation, Hawkeye will undoubtedly have to select certain banks for divestiture (about \$150 million deposits are in excess of the 10%).

Mr. Dunlap would continue to be president and chief executive officer of Hawkeye and Mr. Myers would become chairman.

Hawkeye had 36 banks and seven bank-related affiliates with total assets of \$1.9 billion on June 30, and on the same date, UCB had 13 banks and three bank-related subsidiaries with total assets of \$1 billion. UCB's main bank is United Central Bank of Des Moines, N.A., which would give Hawkeye a distinct flagship bank.

The proposed merger will be for a combination of approximately \$10 million cash and approximately 4,000,000 shares of common stock of Hawkeye Bancorporation. The proposed transaction has a total present book value of approximately \$78 million. Details of the offer will be contained in a joint proxy statement to stockholders of both companies. On June 30, 1984, Hawkeye had total stockholders' equity of approximately \$134 million and United Central of approximately

\$79 million.

Mr. Dunlap said the agreement calls for UCB shareholders to receive \$10 million in cash and about 4 million shares of Hawkeye common stock.

Commenting on the proposed acquisition, Mr. Dunlap stated, "The combination of Hawkeye and United Central is a perfect match. Both companies have a solid base of county seat trade center banks with minimal competitive conflicts. In addition, United Central has a major presence in the Des Moines market. The combination will result in a true statewide banking organization anchored by a large Des Moines bank, making the company the largest banking organization in the State of Iowa and positioning it as a major competitor among regional bank holding companies."

Mr. Myers stated, "We look forward to the advantages which a combination of the two companies will provide both to our customers and stockholders. The banking and financial services industry is rapidly changing. State and federal laws are being modified almost weekly and new, nontraditional sources of competition are seriously challenging the banking industry. To be a survivor today in this new environment, it is necessary to have the greater resources and expertise of a major banking organization. The combination of Hawkeye and United Central will result in our being of sufficient size to face the new challenges and, more importantly, to provide a more complete line of financial services to our loyal base of customers. The financial strength of the combined organization will further maximize our stockholders' value."

Hawkeye Bancorporation and United Central Bancshares common stocks are traded in the national over-the-counter market. Hawkeye has 5,700 stockholders and 6.099 million shares of common stock outstanding. United Central Bancshares has over 12,000 stockholders and 12.554 million shares.

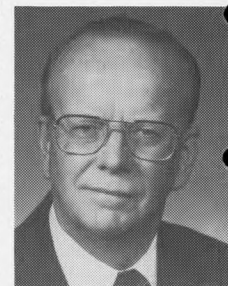
One matter that will have to be resolved is what to do about the franchise agreement signed May 9 by UCB with First Interstate Bancorp, Los Angeles. Mr. Dunlap was to discuss this with First Interstate officials in late July.

A Hawkeye spokesman said a

number of important business decisions will have to be made as merger plans continue, such as current duplication of credit card services. "In the area of EDP alone," he added, "substantial savings will be realized by operating one major system with broad capabilities, as opposed to having two expensive systems running in tandem."

## Dubuque Employees Honored

William G. Kruse was recently presented with a Service Recognition Pin for 42 years of service by First National Bank, Dubuque. Other employees who have been with First National for over 20 years and who received recognition pins were:



W.G. KRUSE

Daniel E. Welu and Amy L. Smith, 37 years; L. Richard Winter and Gladys A. Hueneker, 32 years; Wilma V. Budden, 30 years; John J. Savary and Paul J. Gisch, 28 years; Mary J. Coffee, 27 years, and Leo M. Mallie, 22 years.

First National Bank held its employees recognition in conjunction with its 120th anniversary celebration on June 20.

## Open House Held At La Porte City State Bank

La Porte City State Bank in La Porte City recently held an open house to give area residents an opportunity to meet the officers and directors of the bank and of Peoples Bankshares, Ltd. and Peoples Bank and Trust Company of Waterloo. La Porte City State Bank is owned by Peoples Bankshares holding company of which Peoples Bank of Waterloo is the lead bank.

The bank recently introduced a new club to its customers which has free checking in an interest-bearing account. The bank also now offers trust, brokerage and record-keeping services and is in the process of installing a drive-up ATM.

The open house also served as an opportunity for customers to meet Doug Struve a new officer trainee at the bank. Mr. Struve is a recent ag business graduate of Iowa State University.



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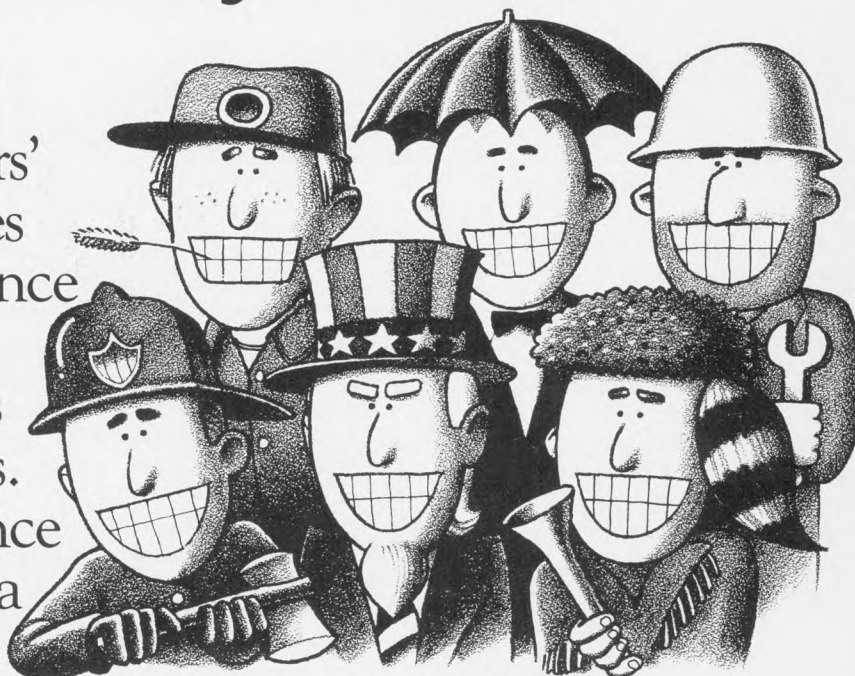
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## "Annie" Still A Hit



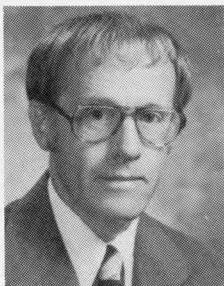
A GALA evening at the Waterloo Community Playhouse featuring a presentation of the Broadway hit "Annie" was recently sponsored by the National Bank of Waterloo. Over 300 bankers and their guests attended the special performance which highlighted the bank's Annual Correspondent Bank Party. Pictured above, National Bank of Waterloo hosts **Bill Rickert**, (3rd from left), sr. v.p., and **Scott Fetner**, (far right), pres., welcome **Al Breitbach**, pres., Gilbertville Sav. Bk., and **Berneice, Joann Fetner, L.C.** "Bud" Pike, pres., and **T.J. Heronimus**, chmn., Hawkeye Bk. & Tr., Grundy Center, to the theater.

### R.W. Buxton Dies

R.W. "Dick" Buxton, 48, chairman of the board and president of Peoples Trust & Savings Bank in Indianola, died of cancer July 16.

Mr. Buxton was well known in state and national banking circles.

He served as president of the Iowa Independent Bankers Association, chairman of the IIB legislative group and as a member of the executive council. He had also served on the



R.W. BUXTON

board of ITS, Inc., the management committee of Iowa Bankers Association and the ABA Community Bankers Division advisory board and planning and marketing committee. In 1980 he was elected to the ABA Council serving as ABA Vice President for Iowa in 1981.

Mr. Buxton graduated from Indianola High School in 1954. He received a bachelor of arts degree from Simpson College in 1957 and a Master of Business Administration degree from the University of Kansas. He served as a supply officer in the U.S. Navy from 1957-1960.

Mr. Buxton also had served as trustee of Simpson College, chairman of the Indianola-Simpson College Partnership Campaign; co-chairman of the Indianola Public

Library Building Fund; president of numerous community organizations including the Indianola Chamber of Commerce, Rotary Club, Indianola Development Corp., and the Indianola Country Club.

An active tennis player and devoted long distance runner, Mr. Buxton served as a race official for the Drake University Relays for many years and established the Annual Peoples Balloon Days 10K and 2 mile Fun Run sponsored by Peoples Trust & Savings Bank, Simpson College, and the Indianola Recreation Department.

He is survived by his wife, Nancy, of 911 Scott Felton Road, Indianola, and four children. He is also survived by his parents, Mr. and Mrs. William Buxton, III. Bill Buxton was president for many years until his retirement, and continues to serve the bank as investment officer.

Memorials have been established for the Simpson College Athletic Department, Indianola Public Library Building Fund, and the American Cancer Society.

### New National Bank Is Approved for Fairfield

Approval of a charter for Fairfield National Bank was granted May 25 to a group of 10 organizers by the Comptroller of the Currency. Heading the list of organizers are James G. "Jerry" Leahy, who was affiliated several years ago with Pella

National Bank, and his son, Roger Leahy.

Jerry Leahy will be chairman and president of the bank. Roger Leahy will be chief operations officer, with the title of vice president and cashier. He will also be a director.

Other organizers are: James Badgett, Jr., Charles Borden III, Clyde Cleveland, Mark Hansen, Jessie Nichols, David Nixon, Dennis Wagner and Christopher Wege. The agent representing them to the Comptroller was John R. Baumann of Fairfield.

Capital of the new bank will be \$1.5 million, evenly divided between basic capital and surplus.

An initial story in the NORTHWESTERN BANKER *Weekly Newsletter* identified the charter applicants as representing M.I.U.—Maharishi International University—of Fairfield. Mr. Leahy said the organizers were acting independently of the University, although all 10 have a common affiliation with the institution.

Mr. Leahy said it is hoped to have the new bank in operation by late October or November. The new Fairfield National current mailing address is P.O. Box 1660, Fairfield Ia. 52556. The phone number is 515-472-2265.

Mr. Leahy and his son, Roger, both are associated with Overland Sheepskin Co., which has headquarters both in Fairfield and in Taos, N.M. The thriving business was established by another son, James, who is president of the company.

Fairfield has a population of approximately 8,500 and has two other banks—First National Bank, with deposits last year-end of \$51.2 million, and Iowa State Bank & Trust Co., with year-end deposits of \$40 million.

### Former Des Moines Banker Appointed Director at Drake

Robert H. Clark, Jr., former vice president of United Central Bank of Des Moines, N.A., has been appointed director of development at Drake University, announced Wilbur C. Miller, Drake president.

Mr. Clark has served as director of planned giving at Drake since 1980 and prior to that was with UCB in Des Moines for 12 years as vice president. He also was in the banking business in Washington, D.C. and Europe.



## Banks of Iowa Hosts Reception at Terrace Hill

Vice President George Bush joined Governor Terry Branstad and executives of Banks of Iowa, Inc. at a reception for delegates to the Iowa Association of Business and Industry convention on June 15 at Terrace Hill in Des Moines.

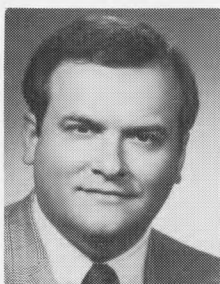


F. Forbes Olberg, chmn., Banks of Iowa, Inc., presents a "Make it in Iowa" barbecue apron to Vice President George Bush.

The reception, hosted by Banks of Iowa, Inc., had a "Make it in Iowa" theme and featured all Iowa made products. Maytag cheeses, Dubuque meats and Dubuque Star beer, Highland snack foods, and Des Moines' Three Tuns wine was served. Other Iowa suppliers included Anderson Erickson Dairy, Sue Bee Honey, Loffredo Fresh Produce and Hudson Poultry. In line with the theme, a "Make it in Iowa" barbecue apron was given to each guest. The aprons were produced by Dixon Industries and Airline Textile Company, both of Des Moines.

## Promoted in Council Bluffs

First National Bank of Council Bluffs has announced the promotion of Lee Wicht to senior vice president; Catherine Ehlinger to assistant vice president and controller; Charlene Martin to assistant vice president, and Debra Debbaut to operations officer.



L. WICHT

Mr. Wicht joined the bank in 1983 as vice president of operations. He previously was with Omaha National Bank for ten years.

Ms. Ehlinger has a degree in business administration from Drake University in Des Moines. Before

joining First National in 1983, she was a bank examiner for the FDIC, Iowa District.

Ms. Martin is currently manager of the Westside Branch and has been with the bank since 1974.

Ms. Debbaut, who is responsible for the general services and systems department, joined the bank in 1973.

## Red Oak President Named

Jerald D. Solberg has been named president and chief executive officer of Montgomery County National Bank, Red Oak. He succeeds Mark R. Mayne, who has resigned to pursue an MBA in finance at the University of Massachusetts. Mr. Mayne will continue as a director of the bank.

Mr. Solberg has served as executive vice president and a director of the bank since 1982. His previous experience includes serving as executive vice president at Citizens State Bank in Postville; vice president of Le Mars Savings Bank, and 11 years with the State of Iowa Department of Banking.

Also announced was the election of Kenneth Rech as vice president, effective August 15. Mr. Rech has been on the bank's board of direc-

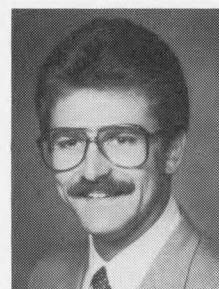
tors since 1982 and previously owned and operated The Paint Store in Red Oak.

## Two Elected in Mason City

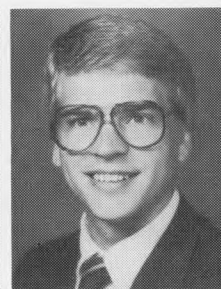
Kent A. Hall has been elected agricultural loan officer and Steven B. Flage has been elected credit analyst at Norwest Bank Mason City, N.A.

Mr. Hall started his banking career in 1977 with First State Bank of Manly, Hanlontown Office, and in 1981 he joined Norwest Bank Atlantic as assistant cashier and loan officer.

Mr. Flage started with Norwest Bank Mason City in 1983 as a banking trainee. In his new position he will have responsibilities in the credit department.



K.A. HALL



S.B. FLAGE

# Committed to making your bank stand apart from the rest!



## George State Bank Holds Open Houses

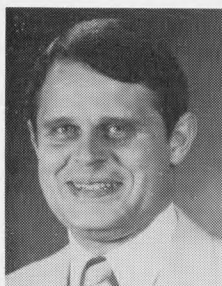


THE George State Bank hosted two open houses in late June commemorating the completion of a major remodeling and building addition project for the \$30 million northwest Iowa bank. The bank had been housed in a two-story building from 1934 through 1964, when a new building was erected adjacent to the old one. The remodeling project involved renovating the 1964 structure, and tearing down the older building to allow the addition of a 2500 sq. ft. office, meeting and bookkeeping area. The exterior of the building was changed to give the appearance of one total structure. Nearly 300 area bankers and local businessmen attended an open house on Friday, June 22, while more than 700 local residents toured the facilities on Tuesday evening, June 26. The project permitted the bank to increase its staff by two persons, for a total employment of 12.

### Peoples Forms New Division Introduces Loan Program

R.K. Sverdahl, president of Peoples Bank and Trust Company, Waterloo, has announced the formation of a new real estate mortgage lending division.

John R. Welch, assistant vice president, will head the new mortgage division. Prior to joining Peoples' last fall, Mr. Welch was self-employed in Des Moines as an independent contractor and previously served as head of the commercial lending division at Valley National Bank, Des Moines.



J.R. WELCH



J. PARKER

JoAnn Parker will move from the bank's commercial loan division to work with Mr. Welch in Peoples Mortgage. Mrs. Parker joined the bank in 1973 as a loan secretary.

A new loan program is also now available through Peoples Bank and the Iowa Energy Policy Council, which will make energy conservation an even better investment. The Energy Conservation Bank is designed to help low and moderate income individuals invest in cost effective energy improvements. House-

holds earning less than \$41,700.00 in BlackHawk county could be eligible for up to 50 percent loan assistance. Income levels vary by county.

The program is made possible by a \$780,000 federal grant administered through the Iowa Energy Policy Council and the Solar Energy and Energy Conservation Bank.

### Heritage Bank Succeeds Farmers National, Aurelia

The Farmers National Bank of Aurelia was closed June 21 by the Comptroller of the Currency after it was declared insolvent due to a string of bad loans that totally eroded the bank's capital. A new national bank—Heritage Bank, N.A.—was chartered by the Comptroller to take over the failed bank's \$18.4 million in deposits.

Purchaser was the Geiger Corporation of Edina, Minn., headed by Earl Geiger, whose holding companies own banks in Minnesota and Iowa. These include The Citizens National Bank of Madelia and State Bank of Pennock, both in Minnesota, and Holstein State Bank and Iowa National Bank & Trust of Lytton, both in Iowa. Mr. Geiger announced that Randall Carlson, a vice president of the Holstein State, has been named president of the new Heritage Bank. Also, Daniel B. Engler, president, and Robert L. Butcher, senior vice president, both of Holstein State, have been elected to the Heritage Bank board of directors, along with Mr. Geiger and his

son, Gary, who is chairman of the Pennock bank.

Don Wieland and John W. Christensen, Jr., who were vice presidents of Farmers National, are employed temporarily in an advisory capacity to the Geiger Corporation, Mr. Engler said.

The new bank has been capitalized at \$1 million, with the \$1,112,000 paid as a premium by Geiger Corporation, going into surplus.

The bank had continued to chalk up losses on its farm loans for a number of months. From January 1, 1983, to the end of March, 1984, it had to take loan loss provisions of \$1.8 million against a total loan portfolio of just over \$13 million. The remaining capital of \$241,000 evaporated in recent weeks with further losses.

Heritage Bank also purchased selected loans and assets. The FDIC advanced \$8.1 million and retained assets with a book value of \$10.1 million.

This year was to mark the 100th anniversary of founding of the Farmers National Bank. Organized in 1884 as a branch of an Illinois bank, it was officially chartered as a national bank in 1910.

The Farmers National office in Larrabee is retained by Heritage Bank as an office in the same location.

### Mills Agency Wins Awards

The Mills Agency of Storm Lake, the agency for Audubon State Bank and Citizens First National Bank in Storm Lake, was a double winner in the 1984 Golden Eagle Advertising Awards Competition, sponsored by the Bank Advertising News.

The awards received by the Mills Agency were both in the newspaper category for ads less than full page, either color or black and white. The agency's entry for Audubon State Bank won first place, and an ad for The Citizens First National Bank in Storm Lake won honorable mention.

The Mills Agency is based in Storm Lake and owned by Tim and Becki Mills.







LEADING the IIB for 1984-85 are, from left: Immed. Past Pres.-Arnold Schultz, pres., Grundy Natl.; Pres.-Ned K. Job, pres., Iowa State Savings, Knoxville; V.P.-Larry Grimstad, exec. v.p., Security B&T, Decorah, and Treas.-Jock D. Stevenson, pres., First T&S, Cedar Rapids.

## Ned Job Is Elected IIB President

By BEN HALLER, JR.  
Publisher

CONTINUED emphasis on the advantages and contributions of independent banks to the communities of America was a uniting theme heard throughout the 13th annual convention of the Iowa Independent Bankers at Lake Okoboji July 19-21. Just as decisive was the message from nationally noted speakers that the economic recovery will continue at a strong pace through 1984 and into 1985, and possibly throughout the entire coming year. Accompanying that optimistic prospect for the national economic health was the just as perplexing analysis that no recovery for agriculture is on the horizon without a drastic change in federal deficits, interest rates, ag prices and export markets.

### New Officers

While the members were listening to these analyses by speakers, they took time out for an annual business session. Ned K. Job, president of the Iowa State Savings Bank in Knoxville, was named IIB president for 1984-85. He succeeds Arnold Schultz, chairman and president of The Grundy National Bank in Grundy Center.

The new vice president is Larry Grimstad, executive vice president of Security Bank & Trust Company, Decorah. That position was held the past year by David Taylor, presi-

dent of Iowa Trust & Savings Bank, Centerville.

The new board selected Jock D. Stevenson, president of First Trust & Savings Bank, Cedar Rapids, as treasurer for a two-year term to replace William P. Wilson, president of Oelwein State Bank.

Continuing as executive vice president and general counsel is Richard W. Berglund, Des Moines. Also continuing as executive director at Des Moines headquarters is Diane Gibbs Berglund.

Five bankers were elected to three-year terms on the IIB board of directors: Larry Arendt, president, Gibson Savings Bank; Ronald D. Diddy, president, First National Bank, New Hampton; Ronald E. Fenton, president, Security Savings Bank, Marshalltown; Vernon P. Mouw,



IBAA Pres. Jack King and IIB Exec. V.P. Dick Berglund.

chairman and president, First National Bank, Sioux Center, and George H. Perry, president, City National Bank, Shenandoah.

### President's Address

Arnold Schultz, in his keynote address as IIB president, said, "First, let me report that Independent Banking in Iowa is still alive and doing well." In referring to IIB's success in the last Iowa legislative session in helping kill the regional banking bill, Mr. Schultz stated, "The last legislative session also marked the *first* time that the two banking associations in Iowa were not in agreement on the issue of interstate banking. This major policy difference on this one sensitive issue has created a perception in the minds of a *few* that the two organizations differ on most issues. In addition, the formation of a Political Action Committee for the Iowa Independent Bankers and the endorsement of several 'service type programs' has to a *few* also been interpreted as an *attempt* by IIB to *purposely* be in competition with programs sponsored by the IBA.

"Let me set the record straight—here and now—and state that the IIB has neither the *desire*, the *intent*, nor the *capacity* to replace or duplicate the many excellent programs that are being offered by the IBA. *However*, we must continue to be alert and respond to the needs of our members, especially in those areas which are unique to independent banks. *Alternative* type programs *have been endorsed* in the past, and *others may* be in the future, but the intent is not just to compete or disrupt programs being offered by other trade associations, but to respond to our members requests and needs." (Emphasis by Mr. Schultz.)

Mr. Schultz said the IIB executive council earlier this summer developed a Suggested Mission Statement and some long range objectives. These included being representative and a spokesman to the Iowa legislature, regulatory agencies, other trade associations, banks, customers and the general public; maintain communications to IIB members on matters of vital interest; provide optional member services the IIB can provide in an economical and cost-effective manner; maintain a constructive, positive image for IIB.

Mr. Schultz said "Another item which was discussed during our planning session was whether Iowa Independent Bankers want a Bankers' Bank...Some of us have mixed feelings concerning the need, since we have some excellent independent banks providing correspondent services. However, I believe the time has arrived to further study and see if a need exists for this type of organization."

Mr. Schultz closed by asking IIB members to keep in mind the serious condition of the Iowa ag economy, but also keep in mind that "the sun will come up again" and that a positive attitude about the future of farming in Iowa must be maintained by lenders to encourage customers and the entire public.

### New President's Remarks

In his acceptance speech, new IIB President **Ned Job** said: "I still feel that regional interstate banking, as currently being proposed across our nation, is not in the best interests of independent banking, and it is not in the best interests of the banking community as a whole. I feel that the Regional Interstate Banking proposals, now being considered and adopted by some regions across our nation are unconstitutional, and they are already, and will continue to be, challenged in the courts. I believe these court challenges will be upheld, and when that happens, we will get down to dealing with the real issue which is *full interstate banking on a national scale*."

"My basic banking philosophy is very simple. I believe our country is great because we have kept the wealth of our communities entrusted in the hands of our local community financial institutions, who have reinvested their funds in the development of the communities in which they belong and are located."

"I feel it will be a very sad day for our country if we ever change this method."

IIB Executive Vice President **Dick Berglund** reviewed bills that were passed in the recent Iowa legislature, and pending bills in Congress.

### Iowa Congressmen Speak

Two of Iowa's Congressional Representatives appeared as a panel to discuss the national economy, and the ag economy in particular.

**Berkeley Bedell** stressed how "Iowa's three Democrat and three



**Ed Claussen**, pres., Farmers State Bank, Schleswig, visits with **Bill Rickert**, sr. v.p., Natl. Bank of Waterloo.

Republican Representatives work together better than any other state delegation. We are good friends, and that is as it should be." Both men stressed the absolute necessity of reducing the massive federal deficit, but viewed differently how it came about and how it should be handled.

Referring to the slump in the ag economy, Rep. Bedell said, "We've come off of four years of the most expensive programs we've ever had, yet we have the largest number of farmers with economic problems in years. I think we'll have a hard time passing legislation anywhere near the magnitude of the past farm program. I think it's fair to say also that there will be changes in the USDA, and we'll be open to *any* new suggestions." He blamed the total federal deficit problem on President Reagan since 1980.

**Rep. Cooper Evans** pointed to "the high resurgence in the national economy—more people employed, with higher incomes—but we point out that our national leaders fail to recognize and understand the dimension of the (ag) problems here." He pointed out that of the 27 states that have experienced a drop in farm land values, Nebraska and Iowa lead the pack, a dubious honor. Mr. Evans also said the best answer to Iowa's farming problem is a reduction in the federal deficit "and the Iowa delegation is pursuing this. I think Senator (Richard) Grassley has offered the best approach—freeze spending."

"We're supposed to take in \$100 billion more in revenue this year and, if the recovery continues, then another \$100 billion more the following year. If that's true, we'd be

closer to a balanced budget in two years." He also referred to the FmHA as "a miserable organization to work with because of the vast array of work it's faced with."

Mr. Evans also said "we can't have the FmHA take farm land and dump it on the market. They can hold land right now for three years and they have two options: 1. Idle it, which I hope they will, and 2. lease it to family farmers, whatever that is. The FmHA can hold the absorb a loss. The Federal Land Bank told us they're not dumping land. Private owners can't be expected to do this, but if banks can hold land they've taken back, it would help. They could take the land to the ACS and lease it out and I think we can work that out with the legislature."

Both men felt the big focus for federal budget deficit reduction should be on the defense spending area—without hurting the basic thrust of defense. Rep. Bedell said "the reality is that to say the President calls for a balanced budget is demagoguery," stating that Congress merely approves the budget the President requests.


However, Rep. Evans stated, "I wouldn't blame the President. He has to work on the framework of government as voted by Congress with the problems mandated by Congress for many years. So it *isn't* truly the President's budget—it's a Congressional budget the President is obligated by law to fund—and his request for funding must be approved by Congress. In doing so, we, as Congress, are approving the President's funding of programs we've told him we wanted by our previous votes!"

### Other Speakers

Alice Rivlin was an exceptionally talented speaker who won resounding applause from the bankers for her very perceptive analysis of the budget problem and the suggestions that she and her colleagues at the Brookings Institution have formulated and passed on to Congress. Mrs. Rivlin is director of economic studies at Brookings in the nation's capital. Her comments were reviewed in the July 30 *Weekly Newsletter*.

**J. Michael Deege**, senior vice president, Bankers Trust Co., Des Moines, reviewed "The Public Funds Issue," explaining answers to some of the problems and questions that have surfaced since SF 2220





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was enacted. That bill requires pledging to cover public funds and does away with the sinking fund as of July 1, 1985.

**Dr. William Freund**, senior vice president and chief economist for the New York Stock Exchange, said "our expansion is broad-based and I expect it to go into 1985 and maybe all of next year. It is coming from consumers, expansion of inventories, expansion of new business capital spending and defense spending—but the primary cause of non-recovery is exports, which affects agriculture." Dr. Freund described

potential auto worker strikes as "an ominous cloud that could pull us back some," but added that "the real dark cloud is the federal budget deficit. It's putting a lid on stock and bond prices." Like other speakers, he called for a combination of tax increases and healthy spending cuts. "If we do this, I am an unmitigated optimist about the future of this nation."

**Dr. Karl Scheld**, senior vice president and director of research at the Federal Reserve Bank of Chicago, said too many people try to second-guess the actual intent or potential

result of Fed policy moves which "are rarely dramatic." He also sees the recovery going into 1985, but expressed concern over the lack of recovery in agriculture and other selected fields.

**Richard Scammon**, director of Elections Research Center and elections analyst for NBC Network News, Washington, D.C., gave an entertaining and perceptive look at how people vote and what make swings in blocks of votes. He expects the 1984 House to stay Democrat and the Senate to be even, depending on how close ones like



PICTURED at poolside reception hosted by Bankers Trust Co., Des Moines, were (from left): **Jean and Herman Kilpper**, pres., BTC; **Donna and Bill Wilson**, pres., Oelwein State; **Flo and Larry Frowick**, sr. v.p., host bank; **Marilyn and John Juergens**, pres., Farmers Savings, Colesburg; **Vera and Ben Elders**, sr. v.p., BTC, and **Barbara and Christy Armstrong**, dir. and consultant, American T&S, Dubuque.



IIB PRESIDENT **Arnie Schultz** (left), pres., Grundy Natl., greeted Iowa Congressman **Berkeley Bedell** and **Cooper Evans**, and IIB Vice Pres. **Dave Taylor** (right), pres., Iowa T&S, Centerville, introduced them for a panel session. RIGHT—Mr. Schultz is pictured with Mrs. **Alice Rivlin**, dir. of econ. studies, Brookings Institution, Wash., D.C.



**ST. BERNARD S** of the fairways, supplying cool drinks to hot golfers with the compliments of Natl. Bank of Waterloo were **Erle Schmielesing**, cash., and **Milt Hennick**, sr. v.p. RIGHT—**Bernie Miller**, v.p., American T&S, Dubuque, presented golf trophy from his bank to **Keith Campbell**, pres., Citizens State, Sheldon, who had a low gross of 67, net 62.





LEFT — **Ed Johnstone**, pres., Keokuk Savings B&T; **Dale Anderson**, sr. v.p., First T&S, Remsen; **John Hoyt**, McGladrey Hendrickson & Pullen, Des Moines, and **Delbert Harken**, v.p. & cash., Ackley State. RIGHT — **Howard Logan**, pres., First T&S, Merville; **Jim Willmore**, ex. v.p., Security State Hubbard; **Craig Ross**, dist. repr., IAC, Des Moines, and **Neil Milner**, exec. v.p., Iowa Bankers Assn., Des Moines.



LEFT — **Mike Bauer**, 1st v.p., Davenport B&T, and **Dan Doyle**, pres., Wellman Savings. RIGHT — (cart in foreground) **Larry Arendt**, pres., Gibson Savings; **Gene Myers**, Havelock office mgr., Laurens State; (second cart) **Rod Tangeman**, pres., Security State, Guttenberg, and **Jim Thomas**, v.p., Crawford County T&S, Denison.



THE KING AND QUEEN were a little leery of the great honor just bestowed on them. **King Blake** wasn't sure he wanted new IIB Pres. **Ned Job** holding him so he kept one arm around the neck of his mother, **Brenda**, whose husband is **Jan Skola**, pres. of Farmers Savings, Kalona. **Queen Anne** felt better while being held by her father, **Bob Chittenden**, pres. of Farmers Savings, Mitchellville, but she wasn't too sure about the photographer! RIGHT — Convention speaker **Dr. William Freund** (extreme right) is shown with **Dick Berglund**, IIB exec. v.p., and IIB exec. dir. **Diane Gibs**.



Iowa and a few others come out. "All in all, not a great deal different than what we have now...The final analysis is how well the Democrats bring back the dissident Democrat voters." He listed four controlling factors as the white southerners, the male vote, Catholic votes, and farm votes.

**Tom Huston**, Iowa superintendent of banking, told IIB'ers at the closing luncheon, "We have an extreme problem in Iowa as I view it. I hope I'm not overemphasizing it." He said of the 197 Iowa state-chartered banks examined this year,

classified loans to capital is at 50.8% and could push 60% by year-end, since it's going up two points per month.

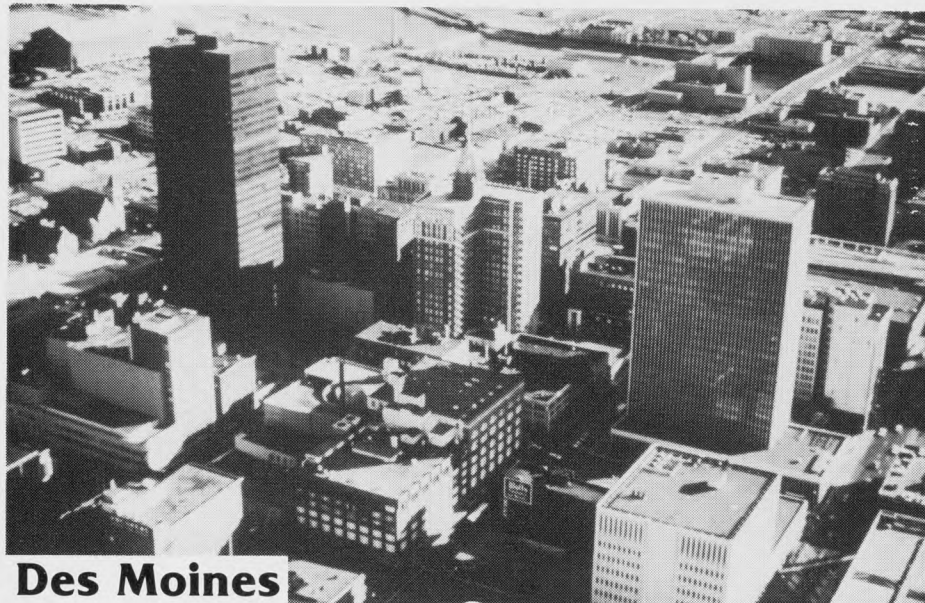
IBAA national president **Jack King**, president of Valley Bank in Kalispell, Mont., was the final speaker and stressed the need for passing the House bill that would close the non-bank loophole. He reviewed the steps IBAA has taken to meet with House and Senate leaders, both in direct testimony and in visiting with committee leaders. He also reviewed IBAA's proposal to have FmHA make available \$1 bil-

lion in loan guaranties to help resolve some of the farm problems. □

## Algona Election Told

**Paul H. Johnson**, president of Iowa State Bank, Algona, has announced the election of **Dennis Dingel** as farm management officer.

Mr. Dingel is a graduate of Iowa State University with a BS degree in ag education. He most recently taught vocational ag on the high school level and was involved in farming near Harris.



## Des Moines

**John Sikkink**, executive vice president of operations and administration at Norwest Bank Des Moines, N.A., and regional operations liaison for Norwest Corporation's Region IV, has been named senior vice president and manager of Norwest Electronic Delivery Services, Inc. at Norwest Corporation in Minneapolis. He will report to **Walter R. Miller, Jr.**, executive vice president, retail banking group.



J. SIKKINK

NEDS is the umbrella organization for the marketing, sales, and delivery of all Norwest electronic funds transfer programs. It provides both affiliate and non-affiliate financial institutions with an electronic clearinghouse capability for EFT-based transactions. NEDS provides systems support for Norwest's Instant Cash network, which operates automatic teller machines at more than 300 locations in seven states. The Iowa Transfer System of which Mr. Sikkink is a board member, has recently entered into an agreement with NEDS to use Norwest's Instant Cash network and more than 4,000 ATMs of the national CIRBUS System, Inc. Norwest is a founding member of CIRBUS.

Mr. Sikkink joined Norwest Bank Des Moines as a programmer in the electronic data processing department upon graduation in 1962 from Central College, Pella. At the Des

Moines bank he has held positions as systems analyst, program manager of EDP, assistant cashier, manager and assistant vice president of operations research and advance planning, senior systems officer, vice president and senior vice president in operations and EDP. He assumed his present position in 1981.

\* \* \*

Hawkeye Insurance Services Inc., a subsidiary of Hawkeye Bancorporation, has acquired the McManus-Greene Co. of Sioux City and the Dunkerton-Reibsam Agency of Marshalltown, both insurance brokerage firms.

Terms of the acquisitions were not announced and Hawkeye said it plans no changes in personnel at either of the agencies.

\* \* \*

Hawkeye-Capital Bank & Trust has announced five recent promotions.

They are:

**Gregory L. O'Hara** to senior vice president;

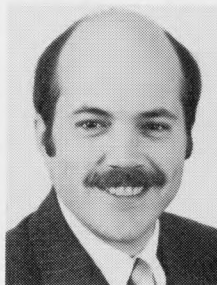
**Jeffrey P. James** to credit card officer;

**Patricia George-Olesen** to assistant trust officer;

**Kirk D. Weaver** to accounting officer, and

**Mary Kay Whitney** to marketing and sales officer.

Mr. O'Hara joined the bank in 1981 as senior trust officer and was advanced to vice president in July, 1983.



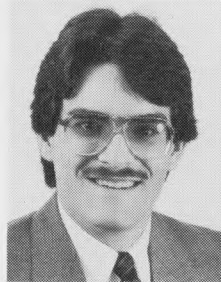
G.L. O'HARA



J.P. JAMES



P. OLESEN



K.D. WEAVER



M.K. WHITNEY

Mr. James started with Hawkeye-Capital in 1983 as a commercial loan trainee.

Ms. Olesen transferred to the trust department of Hawkeye-Capital in 1983 following five years at the Lake City State Bank, Lake City.

Mr. Weaver has been with the bank since 1981, during which time he has served as a teller and trust clerk.

Ms. Whitney's responsibilities will include training, business development, sales, public relations and advertising. She is a graduate of Iowa State University.

\* \* \*

**Jim Eiler**, senior vice president of United Central Bank of Des Moines, N.A., recently graduated from the Stonier Graduate School of Banking.

The three-year program conducted at Rutgers University in New Brunswick, N.J., involves extensive study in bank-related topics of lending, asset/liability management and finance.

Prior to joining UCB, Mr. Eiler was president and CEO of First National Bank in Colfax.

\* \* \*

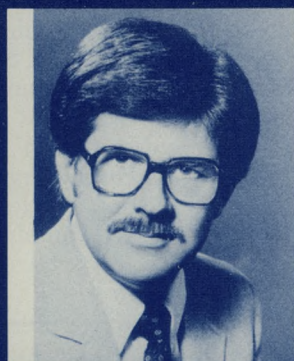
Financial Systems Network Corporation, an Iowa-based corporation, has announced the election of **Harold Gandy** as president and chief operating officer.

Mr. Gandy formerly was with Bankers Trust of Des Moines as senior vice president. He also held positions with Marine National Ex-



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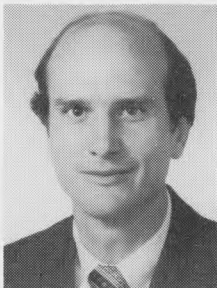


change Bank in Milwaukee, NCS in Minneapolis and Norwest Bank Des Moines, N.A.

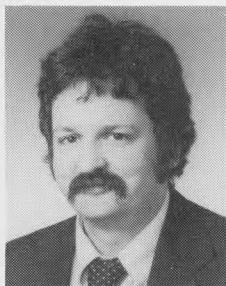
Financial Systems Network was formed to develop software, terminals and a communications network to provide EFT services to financial institutions.

\* \* \*

Norwest Bank Des Moines, N.A. recently announced the addition of **Kent C. Mericle** as assistant vice president and manager of Norwest Bank International Des Moines Office, and the promotion of **Mark S. Alvord**, **Debra S. Ayers**, **James D. Galloway** and **James A. Jones** to operations officers.



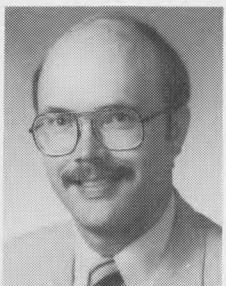
K.C. MERICLE



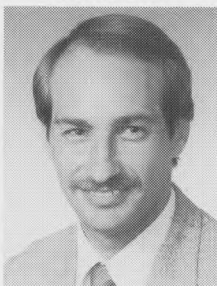
M.S. ALVORD



D.S. AYERS



J.D. GALLOWAY



J.A. JONES

Mr. Mericle will work closely with the international banking group of Norwest Bank Minneapolis, N.A., where he formerly served as international banking officer. Prior to that he served eight years with National City Bank in Minneapolis.

Mr. Alvord joined the bank in 1972 as transit clerk. He joined Norwest Information Services in 1979 and in 1981 was named supervisor of data processing operations.

Ms. Ayers started with the bank in 1977 in teller operations. She was named supervisor of research in 1978 and assumed the additional supervision of return items and exception items departments in 1983.

Mr. Galloway, with Norwest Bank since 1978, was most recently named supervisor, input/balancing, operations in 1982.

Mr. Jones started with Norwest Information Services in 1980 as a computer operator and most recently was named supervisor of special projects.

\* \* \*

**David N. Walthall**, president of Hawkeye-Capital Bank & Trust, and **James M. Earley**, president of Hawkeye Bank & Trust of Des Moines, have announced the organization of a Very Important Citizen's Club for Des Moines' retired citizens. The VIC Club will provide a wide range of financial products and social activities for members.

Mr. Walthall stated the VIC Club members will be entitled to receive special financial privileges such as free checking, safe deposit box discounts, free traveler's checks and money orders. In addition, members will receive a monthly newsletter and discounts from participating merchants.

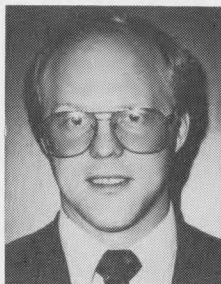
According to Mr. Earley, there will be a variety of social programs developed for VIC members. These will include group tours and travel opportunities, as well as seminars and monthly movie presentations.

To qualify for membership in the VIC Club individuals must maintain a \$5,000 minimum balance in a Money Market Savings Account with Hawkeye-Capital Bank & Trust or with Hawkeye Bank & Trust of Des Moines. There are no membership dues or fees.

### Appointed in Marion

Marty Carter has been appointed assistant vice president of Farmers State Bank, Marion, according to Morris F. Neighbor, chairman and Clair J. Lensing, president.

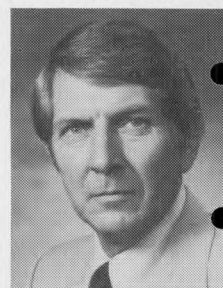
Mr. Carter, who is a graduate of Northwest Missouri State University, will be working in the consumer loan department. For the past five years he was collection manager and loan officer for Collins Credit Union in Cedar Rapids.



M. CARTER

### Waterloo Director Elected

Peoples Bank and Trust Company, Waterloo, has announced the appointment of **Thomas C. Watt** to the bank's board of directors.



T.C. WATT

Mr. Watt, vice president -East District of Iowa Public Service Company, is a native of Sioux City, where he attended Morningside College and received his BA degree.

### Peoples Bank Installs ATMs in Area HyVees

Peoples Bank and Trust Company of Waterloo and HyVee Food Stores, Inc. of Chariton, have announced an agreement with all five HyVee Stores in the Waterloo/Cedar Falls Metropolitan area and Peoples Bank for installation of ATMs. The HyVee units will allow customers to conduct a variety of banking transactions while at the store.

In making the announcement, Peoples Bank's President R.K. Sverdahl stated that, "This expanded HyVee ATM project was part of a corporate agreement between Peoples Bank and HyVee, involving corporate banking relationships for all five HyVee stores, ATMs, and in the future, additional electronic banking services and applications."

### Named in Estherville

Kenneth R. Malecha has been named assistant vice president and ag loan officer of United Central Bank & Trust Company, Estherville.

A graduate of the University of Minnesota, Mr. Malecha started his banking career in 1981 with Norwest Bank of Minneapolis and has been with Norwest Bank Northfield the past two-and-a-half years.

### Joins Oelwein Staff

Richard R. Park, president of First National Bank of Oelwein, has announced the addition of Leroy Sandven as agricultural loan officer.

Mr. Sandven, a graduate of Concordia College in Moorhead, Minn., has worked the last ten years for Farmers Home Administration and has been engaged in his own farming operation.



## Chariton Bank Announces Additions and Promotions

National Bank & Trust Co. of Chariton recently announced the addition of Jim Fuller as assistant vice president and Debra Kirchner as loan officer, and the promotion of Vicki Johnson to trust administrative officer and Sandi Hoch as administrative officer and secretary to the board.

Mr. Fuller attended Central College and has 15 years background in insurance, real estate and installment lending. Ms. Kirchner has ten years of installment loan experience, with the last six years in a banking capacity.

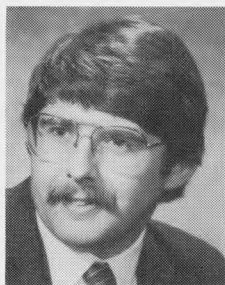
Ms. Johnson has been with the bank since 1976 and has worked in bookkeeping as a teller and in the time certificate area. Ms. Hoch joined the bank in 1976 and previously worked in the bookkeeping area, as a teller and as manager of the Motor Bank.

## Stanhope President Retires New Officers Elected

John A. Walker, president of Farmers State Bank, Stanhope, retired July 1 after 27½ years of service to the bank. Mr. Walker had continued as president of the bank following its purchase by Bob Van Diest and his wife of Webster City.

Norm Skadburg has been elected president of Farmers State and Bob Van Diest has been elected chairman. Jeff Plagge, executive vice president, has been named executive vice president and cashier and will also serve as secretary to the bank's board.

Doug Follman has been elected assistant vice president of the bank. A native of Massena, he is a graduate of Iowa State University and previously was employed by First State Bank of Gowrie.



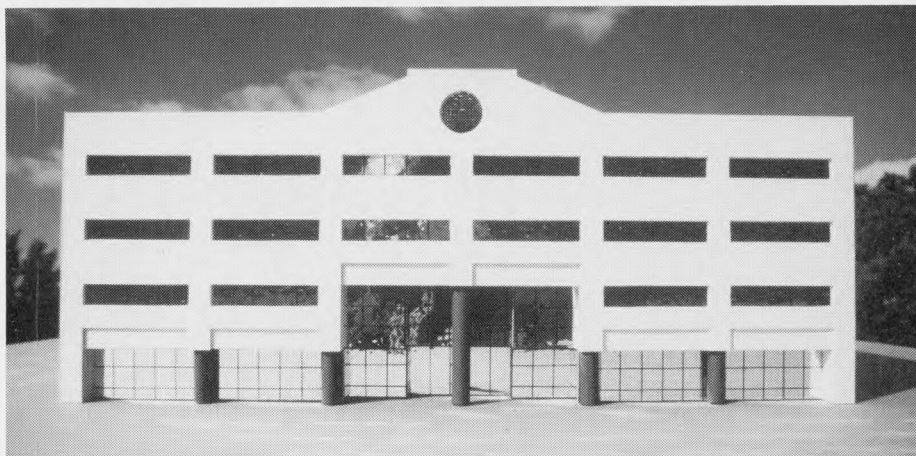
D. FOLLMAN

An open house was held in July in honor of Mr. Walker's retirement.

## First Federal, Waterloo Opens Drive-Up Facility

First Federal Savings Bank, Waterloo, opened a new drive-up fa-

## Norwest Center Plans Unveiled



**GROUNDBREAKING** ceremonies were held last month in Fort Dodge for a new **Norwest Center**, a \$4.5 million, 52,000 square foot office and retail building. Hubbell Realty Co. of Des Moines developed the project which will have Norwest Bank Fort Dodge as its major tenant, occupying approximately 60 percent of the building. Norwest Center is financed in part by a \$1 million Urban Development Action Grant and includes a four-story office building, a drive-up bank and surface parking lot.

cility last month, located on the corner of Highway 20 and East 5th Street.

The new facility, which will house First Federal's new check processing center, has 2,200 square feet of office space along with four drive-up stations and room for expansion to six drive-ups.

"We're pleased to be a part of the downtown re-development," says Jack Miller, bank president, "and feel that our new facility along with our existing bank building will help create a fresh and modern look to visitors entering the downtown area."

## Two Officers Elected At Norwest Bank Sioux City

Norwest Bank Sioux City's board of directors has elected Steve Navin, correspondent bank officer, and Charles Habhab, trust officer.

Mr. Navin, who currently lives in Omaha, will remain a second vice president of Norwest Omaha. He will serve as a client executive in the correspondent bank area for both banks.

Mr. Navin joined the Omaha bank in 1977 and has a business degree from the University of Nebraska and has graduated from Southwestern Graduate School of Banking at Southern Methodist University.

Mr. Habhab joined the bank October, 1983, as a trust administrator. He obtained his degree in financial management from the University of Iowa before attending law school at

the University of South Dakota.

Mr. Habhab, a native of Fort Dodge, entered private practice upon finishing school, in Fort Dodge.

## Belmond Officer Named

Philip C. Knudtson has joined the staff of First State Bank, Belmond, as a loan officer and assistant vice president.

Since 1980, Mr. Knudtson has been in charge of lending at Norwest State Bank in Keokuk as vice president of the bank. Prior to that time he was an examiner for the FDIC.

## Index of Advertisers

### AUGUST, 1984

Bankers Trust Company, Des Moines	46
Barclays American/Business Credit	8
Central Bank of Denver	38-39
Darien Micro Systems, Inc.	17
Drovers Bank of Chicago	6-7
F & M Marquette National Bank, Minneapolis	20
FN Bankware, Omaha	5
First Bank Minneapolis/St. Paul	3
First Interstate Bancorp.	32-33
First National Bank, Lincoln	45
First National Bank, Omaha	43
First National Bank, St. Joseph	9
Gross, Kirk Company, Waterloo	55
Iowa Bankers Insurance & Services, Inc.	49
Kooker, E.F. & Associates	52
Lincoln Benefit Life Company	42
Merchants National Bank, Cedar Rapids	2
National Bank of Commerce, Lincoln	40
North Central Life Insurance Company	62-63
Norwest Corporation	64
Office Concepts, Ltd., Waterloo	51
United Central Bank, N.A., Des Moines	59
United Missouri Bank of Kansas City	10

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