

# NORTHWESTERN Banker

JULY  
1985

## New Officers of State Bankers Associations



- Illinois
- Wyoming
- Colorado
- Wisconsin
- Minnesota
- North Dakota



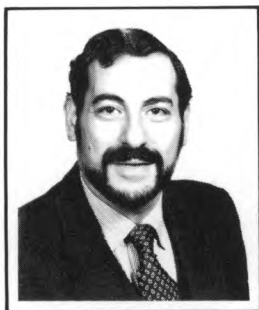
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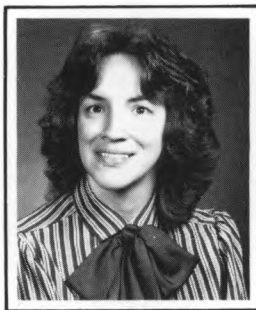


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## ON THE COVER

June was the month for many state banker association conventions in NORTHWESTERN BANKER area. The 1985-86 officers elected by six of the associations are featured on the front cover of this issue. Identification of those pictured will be found in the individual state sections with exclusive, on-the-spot reports by NORTHWESTERN BANKER staff. Page numbers are shown below under "Convention Reports."

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## NORTHWESTERN BANKER

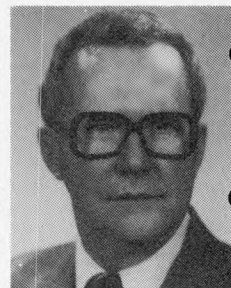
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## Deluxe Predicts Growth in Checks

**D**ELUXE Check Printers, Inc. shareholders approved doubling the company's authorized common shares to 100 million at its annual meeting held in Parsippany, N.J. The additional shares would be available for future stock dividends, financing, acquisitions, and other general corporate purposes. Deluxe Check is headquartered in St. Paul, Minn.



E.R. OLSON

Chairman and chief executive officer, Eugene R. Olson, told attendees at the annual meeting that the outlook for checks appears favorable in the next few years. Household formations, he said, a good indicator for predicting check usage, are expected to increase 19% in the next decade. Mr. Olson also cited a recent electronic banking report that said that checks written per account had risen since their last study.

Mr. Olson said, "Our own forecast is that both checks and electronic funds transfer will continue to grow through the end of the decade as the overall payment system continues to grow. We estimate that checks will represent over 86% of the 53 billion combined transactions by 1990."

Mr. Olson said that while the company expects checks to continue to grow, the company is nevertheless looking at other opportunities to ensure future long-term growth.

All proposals presented by management to the shareholders at the meeting were adopted, including an amendment to the articles of incorporation which requires a shareholder vote, including a 70% vote in some cases, to approve certain business transactions and purchases of shares. The amendment is intended as a safeguard to shareholders and is commonly referred to as a fair price and anti-greenmail amendment.

Deluxe reported in April that it had first quarter sales of \$181,841,160 up 11.4% over the first quarter of 1984.



## Convention Calendar

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

### National Conventions & Schools

July 17-12—ABA National Agricultural Bank Management School, Iowa State University, Ames.  
 Aug. 11-24—Graduate School of Banking, University of Wisconsin-Madison.  
 Oct. 19-23—ABA Annual Convention, New Orleans.  
 Nov. 10-13—BMA 70th Annual Convention, Sheraton-Waikiki, Honolulu, Hawaii.

### State Conventions & Schools

#### Colorado:

Sept. 14-17—IBC Annual Convention, Keystone.

#### Illinois:

July 21-26—IBA Consumer Lending School, Bradley University, Peoria.  
 July 28-Aug. 2—IBA Commercial Lending School, Bradley University, Peoria.  
 Aug. 4-9—IBA Internal Bank Auditors School, DePaul University, Chicago.  
 Aug. 11-16—IBA Compliance School, DePaul University, Chicago.  
 Sept. 11-12—IBA Retail Banking Conference, Clarion Hotel, St. Louis.  
 Sept. 25-26—IBA Agricultural Credit Conference, Holiday Inn, Decatur.  
 Oct. 9-10—IBA Marketing Conference, Ramada Renaissance Hotel, Springfield.  
 Nov. 20-21—IBA Bank Management Conference, Holiday Inn, Decatur.

#### Iowa:

July 7-12—ABA National Agricultural Bank Management School, Iowa State University, Ames.  
 July 18-20—IIB Annual Convention, The New Inn, Lake Okoboji.  
 Sept. 22-24—IBA 99th Annual Convention, Des Moines.  
 Nov. 13-14—IBA Consumer Lending/Retail Banking Conference.

#### Minnesota:

July 21-26—Midwest Banking Institute, University of Minnesota, Morris.  
 Aug. 11-16—MBA Commercial Lending School, St. Olaf College, Northfield.  
 Aug. 11-24—MBA Graduate School of Banking, University of Wisconsin, Madison.  
 Aug. 22-25—Independent Bankers of Minnesota Annual Convention, Breezy Point Resort, Brainerd.  
 Sept. 16-19, 23-25—MBA District Meetings.

#### Nebraska:

Sept. 8-13—Schools of Banking Basic School (2nd session), Rodeway Inn, Overland Park, Kan.

Sept. 22-27—Schools of Banking Intermediate School, Rodeway Inn, Overland Park, Kan.

Oct. 6-10—Schools of Banking Advanced School, Regency West, Omaha.

#### North Dakota:

Sept. 16—NDBA Northeast Group meeting, Devils Lake.

Sept. 17—NDBA Northwest Group meeting, Williston.

Sept. 18—NDBA Southwest Group meeting, Mandan.

Sept. 19—NDBA Southeast Group meeting, Wahpeton.

Sept. 25-27—ICBND Annual Convention, Bismarck.

#### South Dakota:

Sept. 16—SDBA Group 5 Meeting, Rapid City.

Sept. 17—SDBA Group 4 Meeting, Mo-bridge.

Sept. 18—SDBA Group 3 Meeting, Mitchell.

Sept. 19—SDBA Group 1 Meeting, Sioux Falls.

Sept. 20—SDBA Group 2 Meeting, Watertown.

### Joins Collateral Control Office in Chicago Area

Collateral Control Corporation and Collateral Financial Services, Inc. of St. Paul, Minn., have announced the addition of Ken Nagel as a marketing representative in the Chicago area office (1699 Wall

Street, Mt. Prospect, Ill., 312/437-8860). Mr. Nagel's territory will include the state of Michigan, Northern Indiana and Northern Ohio.

Mr. Nagel joins Collateral Control/Collateral Financial with a strong commercial lending background through 14 years' experience with Dollar Savings and Loan—Youngstown, Ohio, First Merchant's National Bank—Michigan City, Ind., and First National Bank—Antioch, Ill.

### Consumer Installment Loan Delinquencies Rise 15%

Keyed to the rapid expansion of credit in previous months, the national rate of consumer installment loan delinquencies rose during the first quarter of 1985, according to an American Bankers Association report released June 24.

At the end of March, 2.4 percent of all outstanding consumer installment loans were delinquent. That is 15 percent above the previous quarter and nearly 30 percent higher than a year ago, according to the *Consumer Credit Delinquency Bulletin*, published quarterly by the ABA.

A delinquent loan is defined as one in which at least one payment was past due for 30 days or more. Installment credit outstanding amounted to \$477 billion in the first quarter, 21 percent higher than a year ago.

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## BankDisk's Controller Software Aids Reporting, Planning, Control in Banks

**F**INANCIAL Systems, Inc. has announced the latest addition to the BankDisk family of financial software products. Titled the Controller, it is a complete financial reporting, planning and control system. Able to support virtually any size of financial institution, the Controller is designed in an easy, flexible and efficient format.

The Controller is available for the IBM PC and PC/XT microcomputer with a minimum 256K of memory. In an effort to immediately place the beneficial software in banks, FSI had been offering the Controller for a limited time at an introductory price of \$995. Beginning July 1, the retail price will be \$1,495.

As with all BankDisk packages, the Controller is controlled through clear instructions on the screen. The program is menu-driven, and movement within screens is controlled by the directional arrows on the numeric keypad.

The Controller is the nineteenth product in the complete family of BankDisk products designed specifically for financial institutions. The specialized series of BankDisk software for bank professionals ranges from an IRA marketing tool to credit analysis programs for both agricultural and commercial clients, to a complete loan document preparation and processing package.

"The Controller is a powerful strategic planning model that can be entirely user-defined. Once users have loaded the bank's data, they are able to project the bank's budget and, with the use of the 'what if' capabilities, can even determine the effect of a ¼% change in any investment or expense portfolio," says Ken Meredith, FSI's national sales and training director.

A major feature of the Controller is its ability to perform projections and "what if" comparisons. One test plan is stored along with the actual account balances and budgeted account balances. The user may develop an unlimited number of test plans with the use of separate data disks. A test plan is the Controller's "playground" area where the user is allowed to manipulate information at will and print out the results without ever affecting the actual or budgeted information. When a test plan

is complete, the user may then transfer the information to become the actual budget information.

The package features its own reports writer, enabling the bank to design reports according to its preferred format. Comparative statements include a statement of condition, income statement, interest margin report, key ratio reports, price/volume reports, and a funds flow report.

FSI is located at P.O. Box 2012, Kearney, Nebr., 68847.

### United Missouri Bank Announces New Account

United Missouri Banks across the State of Missouri have introduced The Performance Account, a new account that combines checking and investments, and is FDIC protected.

The Performance Account is a simplified service that joins the primary functions of a checking account and a personal investment account into one. Interest rates paid on The Performance Account are competitive with insured money market funds, which have become some of the more popular investment methods available recently.

United Missouri is the first bank in the region to offer a checking account that grows with the individual throughout the life of the account and allows the customer to earn more interest as the balance increases.

The new account earns daily interest based on four balance levels. Balances up to \$999 in an account earn 5¼%. The other three balance levels earn tiered rates that are based, in part, on the bank's unsecured federal funds rate. The levels range from \$1,000 to \$2,499, \$2,500 to \$24,999 and over \$25,000.

The Performance Account features no service charges if a minimum collected balance is maintained or if the average collected balance remains above a required minimum each month. Unlike most mutual fund accounts, The Performance Account funds are available upon demand through transactions at a teller or drive-up window, via a check or at an Ultra automatic teller machine, or through any ATM in the PLUS SYSTEM network.

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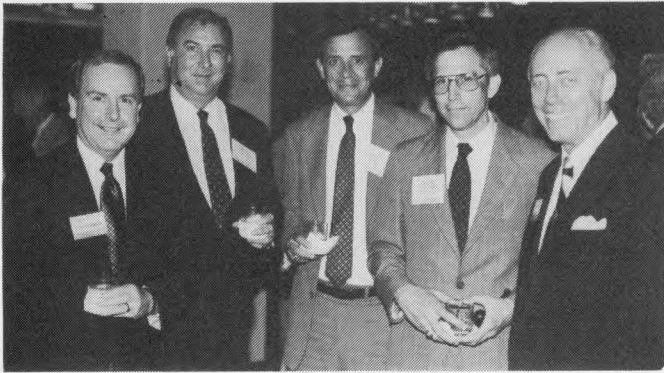
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**LEFT**—Jerald L. Fleschner, v.p., Mercantile Bank, St. Louis with Herbert W. Hiltchings, sr. v.p., First Natl. of St. Louis County; David Koppelman, v.p. of fin., American Bank of St. Louis; David A. Doering, pres., First Missouri B&T Co., Creve Coeur and Donald E. Lasater, c.e.o., Mercantile Bank, St. Louis. **RIGHT**—Frank K. Spinner, pres., Lemay B&T Co., St. Louis; Denis S. Karnosky, v.p., Research Heindol Commodities, Chicago; Eugene A. Leonard, sr. v.p., Mercantile Bank, St. Louis and Robert O. Blomquist, vice chmn., Mercantile Bank, St. Louis, making up the economic panel that spoke at the morning business session.



## Mercantile Hosts Correspondent Banking Conference

By **ROBERT CRONIN**  
Associate Publisher

**M**ERCANTILE BANK, St. Louis, celebrated its thirtieth year in correspondent banking by hosting its Correspondent Banking Conference May 21. The gathering took place at Cervantes Convention Center and Sheraton-St. Louis

Hotel. Many important topics were discussed, including: economics, interstate banking, agriculture and international banking.

The morning session featured an economic panel discussion. Not only were various presentations given concerning present and future economic trends, but an informative question and answer session concluded the presentation. Moderating the panel discussion was Bob Blomquist, vice chairman, Mercantile Bank. The panel consisted of: Denis S. Karnosky, vice president, Research Heindol Commodities, Chicago; Frank K. Spinner, president, Lemay Bank and Trust, St. Louis, and Eugene Leonard, senior vice president, Mercantile Bank.

During the afternoon luncheon program, Donald E. Lasater, chairman and CEO, Mercantile Bank, gave the history of the Mercantile Trust Company and assured local bankers that Mercantile Bank will continue to make the necessary moves in the best interest of the banking community.

The afternoon program included an agricultural overview by Dr. Stanley R. Johnson, director, Center for Agriculture and Rural Development, Iowa State University, Ames. Also, Glen E. Lemon, chairman and CEO, First Bank and Trust Co., Booker, Tex., spoke on the future of community banking. An international update by Neal J. Farrell, president and CEO, Mercantile Bank, concluded the business session.

**Jack Buck**, the infamous voice of

St. Louis Cardinals baseball team, entertained conference attendees as he gave a preview of the ballgame that evening. He did a good job — the Cardinals won 4-3 over Atlanta. □

### EMC Group Files with SEC For 2 Million New Shares

EMC Insurance Group Inc. announced recently it filed a registration statement with the Securities and Exchange Commission covering a public offering of 2 million shares of common stock. The company also granted the underwriters of the offering an option to purchase up to an additional 300,000 shares to cover overallotments. The company planned to sell all the shares included in the offering.

EMC Insurance Group Inc. is a holding company which, through its subsidiaries, underwrites reinsurance, property and casualty insurance, life insurance, and nonstandard risk automobile insurance and also operates an excess and surplus lines insurance agency. The company is 92% owned by Employers Mutual Casualty Company, a multiple line property and casualty insurance carrier organized as a mutual insurance company in 1911, which will continue to own 68% of EMC Insurance Group Inc. outstanding common stock after the offering.

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## ●BMA Adds Sen. Garn to Convention

THE Bank Marketing Association announced recently it has added several top names from government and industry to its lineup of speakers addressing the Association's 70th Annual Convention in Honolulu this November, a meeting expected to attract 1,500 registrants.



Among the speakers invited to address the national gathering of financial marketing executives—the largest of its kind—is U.S. Senator Jake Garn (R. Utah), chairman of the Senate Banking, Housing and Urban Affairs Committee who returned in April from a successful space shuttle mission.

In a talk opening the Nov. 10-13 meeting at the Sheraton Waikiki, Sen. Garn will present a Congressional update on deregulation prospects in 1985-86 discussing legislative forces shaping the industry.

Besides Sen. Garn, other new speakers added to the BMA convention lineup are: Thomas J. Lyons, executive vice president of J. C. Penney Co., Inc. discussing "The Financial Services Market in the 1980s—A Non-Traditional View"; "In Search of Excellence" co-author Robert H. Waterman Jr., who is a director of McKinsey & Co., and Richard B. Byrne, a University of Southern California communications professor discussing "Technology and the Management of Change."

Taking part in a special panel on non-bank competition will be: Meredith M. Fernstrom, senior vice president, American Express Corp.; Gary Wendt, executive vice president, General Electric Credit Corp.; and Gerald M. Cole, senior vice president, Kemper Financial Services Inc.

In April the BMA announced preliminary program details regarding its Honolulu convention listing among its speakers Richard S. Braddock, group executive in charge of Citicorp consumer financial services; Mark H. McCormack, best-selling author of *What They Don't Teach You at Harvard Business School*; Marshall Loeb, *Money*

magazine managing editor; a *Business Week* panel of editors led by John A. Dierdorff, managing editor, and advertising jingle writer Steve Karmen.

For more information on the convention, write or call the Bank Marketing Association, 309 W. Washington, Chicago, Ill. 60606, (312) 782-1442, and to register call (800) 433-9013.

## ●BAI Elects New Board

Marc J. Shapiro, vice chairman and chief financial officer of Texas Commerce Bancshares and its lead bank, Texas Commerce Bank—Houston, has been elected chairman of the board of Bank Administration Institute for the 1985-86 fiscal year. He succeeds Robert C. Isban, executive vice president, Manufacturers Hanover Trust Company, New York.

The new chairman-elect of the Institute is James B. Wiesler, vice chairman of Bank of America, San Francisco.

Three banking executives have been newly elected to the board of

directors' executive committee. Joseph V. Ciaburri, president and chief executive officer, The Bank of New Haven, New Haven, Conn., is the new chairman of the Council for Educational Services. Two new directors-at-large are John Rau, president, Exchange National Bank, Chicago, and Philip F. Searle, chairman of the board, Sun Banks, Orlando, Fla.

The newly elected regional director for Region Five (Minnesota, Wisconsin, Iowa and Illinois) is Jay B. Walters, president and chief executive officer, First Bank, Milwaukee.

## ●United Missouri Cancels Centerre Stock Purchase

United Missouri Bancshares, Inc., Kansas City, following a special meeting of its board of directors, announced last month that it is withdrawing its application with the Federal Reserve to purchase up to 10% of the outstanding shares of Centerre Bancorporation. R. Crosby Kemper, chairman and CEO of United Missouri, stated that the price per share of Centerre makes further investment economically unattractive.

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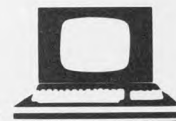
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# Strategic Leadership:

## How it's working in community banks

By BEN HALLER, JR.  
Publisher

**C**OMPETITIVE pressures continue to push large and small banks alike toward a formal strategic planning process that will help them to be not only profitable, but survivors. Aiding in that process have been larger banks with strategic planning experience, consulting and professional accounting firms and, more recently, a wide array of computer software firms. In addition, bank regulators are forcing the issue with consistent requests to review the strategic plans they're examining.

Several major correspondent banks and their holding companies in the midwest have been leaders in offering strategic planning advice through small group seminars as well as through individual bank counseling. One of these banks that has formalized a program to teach strategic planning using both of these approaches is The First National Bank of Chicago. We took part in one of their seminars earlier this year.

This article will examine briefly what is being accomplished by First Chicago's:

- Strategic Planning Program
- Presentation of the Program to Correspondents
- Follow-Through and Results

### Strategic Planning Program

For some years, First Chicago has developed its own internal process for strategic planning. After its successful implementation throughout the bank, various community bankers asked if First Chicago could help them adapt the plan to their institutions. Based on that interest, it was at First Chicago's 38th Annual Conference of Bank Correspondents in Chicago last November that Senior Vice President James K. Suhr, head of the U.S. Financial Institutions Division, announced that First Chicago would begin offering a fee-based strategic planning service to correspondent banks.

A great enough number responded at that time so that the program, "Strategic Leadership: Through Planning and Implementation," was offered three times in January and February. Community bank top management executives attended paid seminars, limited in size to groups of two dozen or fewer.

They were presented by Vice President Thomas M. King of the Community Banking Institutions Division and Staff Officer Jane M. Power of the Corporate Planning Department. Assisted by several key officers of the bank, this joint presentation brought to the audience the planning experiences of both line and staff.

### Presentation of the Program to Correspondents

Each seminar registrant received a Strategic Leadership notebook containing a detailed outline of the steps involved in "Strategic Leadership: Introduction, Strategic Planning and Implementation." A completed case study helped put all the parts in logical sequence, leading to a focus on the completed plan and a method for constant monitoring, evaluation and adjustment as needed.

In opening the seminars, Mr. King summarized the purpose in these words, "It's simple. We want to be winners, not just survivors." He stated further that a bank's board of directors in today's economic climate will push for a strategic plan by management, and regulators will expect it.

Jane Power, who reviewed the Conceptual Steps of Strategic Planning as detailed in the Introduction phase, related that a 1983 study by the Atlanta Federal Reserve Bank showed that banks then using Strategic Planning ranged from 56% among smaller banks to 95% of the largest banks.

The 33-page notebook provides an outline that is fully fleshed in each case, not only by speakers from First Chicago but also by seminar participants themselves. The limited size of the groups is more conducive to personal participation by verbalizing questions, responses or comments with an individual's experiences.

### Introduction

In the **Introduction**, for example, Jane Power took registrants through the conceptual steps of strategic planning (the who, what, when, where, why and how); the level and timing of planning (what staff levels are included and how often the process is done or reviewed); corporate guidance and mission statement (a look at corporate objectives, such as public responsibility, market position and customer services, profitability, personnel policies, management development, innovation and productivity); drafting of a mission statement and, finally, implementation of the plan.



## “What is strategic planning?”

In **Section A: Introduction**, the workbook quotes General Electric Company Chairman John Elch, in describing strategic planning: “...trying to understand where you sit today in today’s world. Not where you wish you were and where you hoped you would be, but where you are. And (it’s trying to understand) where you want to be in 1990. (It’s) assessing with everything in your head the market changes that you can capitalize on or ward off to go from here to there. It’s assessing the realistic chances of getting from here to there.”

### Strategic Planning

**Section B: Strategic Planning**, consists of an in-depth *external* analysis of the bank, its business, customers, trade area and economic makeup. The *internal* analysis is equally in-depth, covering such important areas as customer needs and competitive strength; where to set priorities; evaluating product areas in terms of the above analysis; a summary of the major risks that could impact the bank’s market, as well as its strengths and weaknesses. Finally, the strategy portion of this section requires breakouts or teams of four to six participants, with separate flip chart pads to focus on strategies for a specific department. That includes a restatement of one’s market, as well as the financial and non-financial goals.

Notes may be made telling how one plans to achieve the Mission Statement—how to gain and maintain a competitive edge. This requires describing the strategies for each major customer segment, listed in order of priority. At this point, department heads and the CEO are called on to make a real commitment by developing their action plan; i.e., they face the reality of stating the “Likelihood of Achieving Projected Results: 25-50%, 50-75%; 75-100%,” not just for the immediate year ahead but also for the two following years, since the plan carries forward on a continuing basis. A second action plan may be written to supplement the first or as an alternative. Following this, a brief financial summary is prepared showing current year actual figures and projections for three more following years.

### Implementation

**Section C: Implementation** is where it all comes together. The business plans are discussed between the line and senior management and, perhaps, a final presentation of the overall plan is made to the CEO and senior management. The value of the latter is that communication and commitment are made clear; the common goal(s) are understood by everyone at the same time; it serves as an incentive for the business managers to develop a thorough and professional plan.

First Chicago suggests that CEOs receive individual business manager’s plans in advance for review and evaluation in relation to corporate goals. Enough time should be scheduled with each business manager commensurate to the complexity of the division he or she manages, and the CEO should use a written form for

approving, modifying or disapproving the submitted action plan of each manager.

Obviously, there is a great deal and discussion of each step in all three sections of the notebook that cannot be covered adequately in the limited space of this article. However, one important aspect worthy of special attention is a personnel evaluation form that is part of Section C.

### Evaluation Form

The 8½ x 11, four-page folder titled “Exempt Performance and Development Evaluation,” says: “This evaluation form is to be completed by both the individual being evaluated and the individual’s supervisor.” Kenneth V. Eckhart, vice president of Management and Professional Training for the host bank, said at the seminars, “If you want people to be effective, to impact profits, you must make sure they know *what* it is they’re supposed to do.”

Mr. Eckhart related how Key Performance Indicators developed through strategic planning become one of the cornerstones for personnel evaluation. The KPIs were referred to several times as measurements of performance against previously agreed upon performance goals. “Quality,” Mr. Eckhart pointed out, “is most important, but is most difficult to define. Quality is not just how many calls per month, for example, but how effectively the calls were made. Timeliness, deadlines and dates dictate the interim steps needed to achieve one’s goal. Manager and subordinate arrive at a definite understanding of the goals. As goals become unrealistic, flexibility is needed for restatement.”

It is relatively easy to conduct an annual performance evaluation with an employee if the two of you have developed a monthly or quarterly work plan. Mr. Eckhart offered this advice about the performance evaluation: “Don’t, as the manager, give it to the employee first, then have that employee give it back to you and you look at it and then comment. This is ‘chicken’! Rather, have the employee fill out the form at the same time you do for honest comparison. You’ll be surprised how often the two of you will then agree. Don’t argue; just discuss. Then close the book and look to the future.”

Mr. Eckhart cautioned that every manager “be very careful about how you state in writing an assessment of another person, for it can be very damning or even destroy a person. *Don’t* degrade. If you have to comment about poor performance, do it honestly, humanely, and briefly, with a specific recommendation, and make your documentation thorough and accurate.”

Richard L. Wood, senior vice president, spoke on tactical planning for staff departments which complements strategic planning of line units. This teamwork between staff and line moves in a unified forward direction to accomplish the bank’s overall mission.

### Informal Seminar

After the first full day of the seminar, at which a half-dozen First Chicago officers thoroughly reviewed selected phases of planning, the community banker groups reconvened the next morning for an informal session. The purpose was to give an opportunity for a couple of community bank CEOs to share with the small group their experiences with strategic planning and to permit other participants to question them or First Chicago officers.



“Constant reviewing of the plan on a monthly basis keeps it on target, or determines where there are any deficiencies or developing opportunities.”

The session was held in a large suite of the hotel, with the 20 or so participants seated in comfortable chairs and divans, and a bottomless coffee pot and cold drinks on a convenient side table, making it conducive to a sharing and learning experience.

#### The First Experience

To get things started at this session, Mr. King reviewed briefly how First Chicago's strategic planning continues to impact his division. The “bottom up” approach at his bank has created a number of profit centers called Strategic Business Units—SBUs. It's up to Mr. King to prepare the Strategic Plan for his division, which serves more than 1,000 community bank correspondents across upper midwest states. To maximize participation and to benefit from the years of experience represented by his officer staff, he involves each of the division officers in formulating action plans.

In the process described by Mr. King, these officers concentrate on their individual account responsibilities and formulate a plan to achieve the business goal. Since they've had an integral part in setting those goals, the ensuing action plan becomes a team venture.

Mr. King discussed the bottom-up path his plan takes through his group head to senior management.

From the submission of all these action plans, the total Strategic Plan for the entire First Chicago develops. Constant reviewing of the plan on a monthly basis keeps it on target, or determines where there are any deficiencies or developing opportunities. As he and his officer associates in the Community Banking Division look at their plan each month, they are afforded an opportunity “to make course corrections” as needed.

#### CEOs Share Their Experiences

At the late February seminar, two CEOs who had implemented Strategic Planning earlier in their banks with the assistance of Mr. King, Jane Power and other First Chicago staffers, related their personal experiences in this strategic planning process with the workshop participants.

Richard Lenahan, president of the First National Bank of Normal, Ill., operates a \$75 million asset bank with 16 officers. Although his bank had planned for some years, this bottom-up process had appeal. A trip by Mr. Lenahan — after he had explained the process to which Mr. King had oriented him — gave the officers a chance to develop the initial departmental drafts using the notebook format, in two weeks' time. The subsequent final drafts were impressive. The end product was taken to the board and then explained to all personnel.

In this second year, the process will be used for salary review and for judging achievement of objectives, Mr. Lenahan said. One example cited: the officer call program is active and developing opportunities, and the customers are receptive. Another: people discover untapped potential in their departments — the EDP

center is now processing payrolls for local business firms.

Jim Watson, president of the Citizens First National Bank in Walnut, Ill., is CEO of a \$28 million asset bank. An impromptu contact at a bankers meeting with Mr. King turned into a planning discussion until two in the morning. Then, in their visit at his bank, Mr. King and Jane Power reviewed the workbook with Jim Watson, who distributed a copy to each planner who followed the format. A productivity drive at the bank has worked. Mr. Watson told how this planning process focused his people on their goals and underscored how key it has been to their progress.

In these unmoderated sessions, questions and answers flowed freely between and among all participants and the two banker-users.

#### Follow-Through and Results

Any time a program is initiated it must be monitored for results and provide a means for making necessary updates and adjustments. The comments offered above by Mr. Lenahan and Mr. Watson show results in their banks.

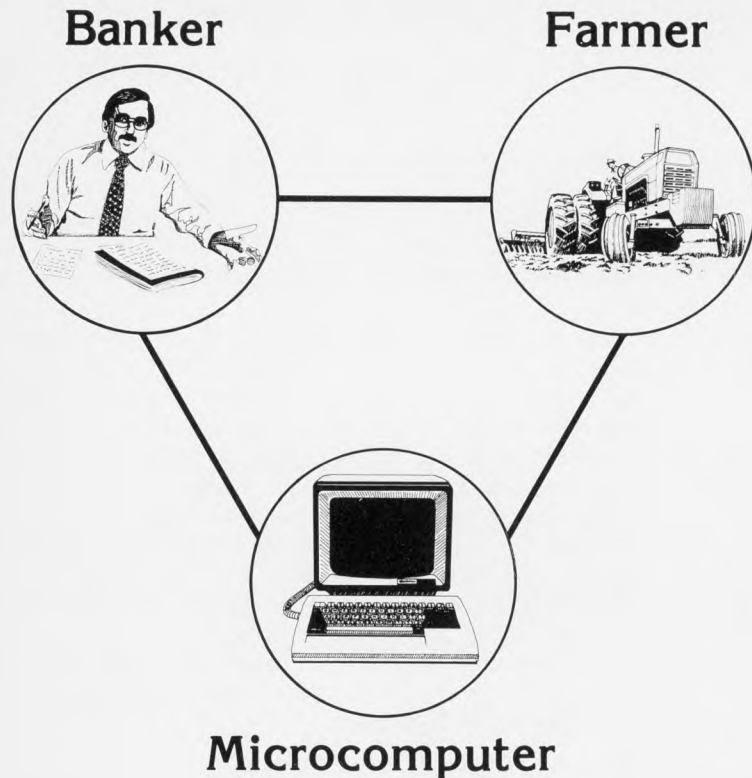
George L. Davis, First Chicago executive vice president and head of Corporate Banking, observes: “In this period of change and deregulation, sound creative thinking from all areas of the bank is a prerequisite for success. Our planning process has generated this broad involvement and teamwork. We are delighted that our strategic planning model has proved useful to financial institutions of all sizes and, in particular, to community banks.”

The growing success of the Strategic Leadership program offered by First Chicago is reflected in the fact that within weeks after completing the first three Strategic Leadership seminars, Mr. King's division was invited to present personalized planning seminars in three banks, and two more were scheduled for late spring and early summer, while others are pending.

Commenting on the individual bank seminars, Mr. King said, “Where we do it, their managers really respond. It stimulates these executives, not only for planning, but it motivates them to think about their area, how they can improve personally and be better leaders.”

That is one of the major benefits of the strategic planning process—that in developing a sound plan to properly utilize all assets of the bank to achieve a stated goal, it is also a corollary that in its accomplishment, the organization has fulfilled another basic corporate responsibility. That responsibility is the development of the bank's greatest asset—its staff—by helping them to grow in their capability to do a better job, and at the same time to become better persons in the process. It is the fulfillment of this corporate “whole person” approach when each individual rises to a challenge and becomes the best that one can be. □





# Adversaries or Allies?



By **BILL YOUNG**  
Director of Marketing  
FBS Systems  
Aledo, Illinois

**O**F THE 40,000 or so micro-computers on farms, a great many, I suspect, are collecting dust. These machines have become adversaries instead of allies. Someday, someone will change that. It might as well be you, the bankers.

It is in your best interest to provide leadership in the electronic automation of farms; not because you will realize immediate profits, but because you cannot afford to allow these decisions and services to be provided by others.

Think about it. What if the ultimate leadership for electronic automation in agriculture comes from those able to compete directly or indirectly with rural banks? This role shall involve a substantial educational challenge, no question about it. But by default of any other group of people with common interests, the rural bankers are the ones who should accept this challenge.

There is still time for leadership if banks choose to act. There is time to find suitable, farm-relevant applications that you and your farm clients can learn to use and benefit from, together. These applications can be the catalyst that breaks down the growing adversarial relationship between farmers and lenders.

They can be the catalyst that motivates renewed interest in farm recordkeeping and analysis. But according to John Judge, an Albia, Ia. farmer and rural

banker, "this service has to get faster and easier, with more detail, and have good service behind it." John knows. He has four years' experience with microcomputers and farmers.

### Standardization Needed

Lack of standardization has slowed the adoption of this technology in banks and on farms but standards are starting to emerge in the marketplace. Until recently, different computer companies each had a proprietary disk format. Those people more interested in the data than the machine peculiarities were tremendously frustrated in learning these differences. Today, most all makers of microcomputers are using the IBM "system." Bankers and farmers can more comfortably justify the time and work involved in learning the "machine side" of the information revolution when the fear of obsolescence is eased by marketplace standards.

The last step is the development of standardization in the "things" computers can automate for agriculture. And this automation must start where farmers are instead of where well-intentioned advisors think they need to be.

### Financial Analysis

Farm financial management and analysis is one "thing" computers can automate. It involves: a) Documenting the actual past performance; b) Measuring and evaluating the current financial condition; c) Planning for the future; d) Monitoring the progress of the plan against actual results, and e) Changing the plan or the results.

The problem is that there is no historical standard methodology in agriculture to do these things. The accounting and management standards used in traditional business will not work in agriculture. Farmers and most rural ag lenders do not understand those



- standards. Maybe they should or could, but that argument begs the issue.

#### Analogy:

- Automation of check processing was simple after bankers accepted a standardized method of coding checks. The method was simple. It was not ultimately proprietary. The rest was rhetoric, not content.

- The format and content of information needed for successful farm financial analysis isn't quite as simple, but it isn't that difficult either. The ringer (dichotomy of automation) comes in compiling the information accurately. How close is close enough to be accurate? What methodology is to be used? Who is going to do it? What price, what sacrifice, what amount of time is justified? Should the information be controlled by an "expert" who interprets for the inexperienced farmer, or should the farmer attempt to become an expert or, at least, self-sufficient? Judging by the decline in interest of large, central, computerized farm service bureaus, I think ultimately the latter will prevail.

#### Two Standards Gain Foothold

- Fortunately, two proven standards are gaining a foothold in rural lending; CFS, with acceptance by FmHA and FDIC, as well as several hundreds of commercial banks, farmers, consultants and ag educators, and FinPack, developed by the University of Minnesota and used by extension specialists in several mid-western states and by ag loan officers in several north-central states.

- Their differences boil down to emphasis on documenting historical performance and the bigger issue of who shall collect, process, interpret and apply the information.

- CFS is designed ultimately for use by the farmer himself, and FinPack is designed to be used by trained intermediaries.

- Bankers can serve themselves well by becoming very familiar with both standards and then using, teaching or recommending these systems to farmers. After all, standardization and documentation of farm loans is what ag loan officers do for a living.

#### Analogy:

- Have you ever noticed the tremendous investment local fertilizer dealers and co-ops have in nurse tanks and tool bars just so they can sell anhydrous fertilizer to farmers? And what do you suppose came first? Anhydrous, nurse tanks, co-ops, or farmers needing a better way to fertilize? Rural banks need to teach farm financial analysis to those farmers that will learn and help those farmers that won't.

#### Two Kinds of Farmers

- Some farmers will want to "do it themselves" and some will have little interest in anything that isn't "farming as usual." As a matter of fact, I speak with the second type of farmer daily. They comment often how they don't understand the first thing about computers, but are proudly add in the same breath that their children are becoming "experts" at school.

- When I ask them why it is more important for their own children to learn before themselves, the reply generally involves the notion that computer knowledge will be a must in order to get a job someday.

That's sad, because the implication is that there

won't be a job for their children in farming. But computers will play just as important role in agriculture as in many other industries. Some farmers do want to do it themselves, not have someone else do it for them. But learning these skills goes for want of a grassroots, educational delivery system. The Land Grants, to their credit, are trying, but they should involve more people in the local community instead of bearing the weight of the task alone. The Community Colleges are trying, but, unfortunately, they are islands unto themselves.

**By default of any other logical organization or group of people with common interests, the rural bankers are the ones that should accept this challenge.**

An attempt is being made (by Land Grants and others) to offer solutions to standardize farm analysis. It is wrong to be critical of those who risk innovation. But any efforts to standardize anything that doesn't first come from the explicit needs, abilities and understanding of the farmer himself are bound to be awkward and resisted.

Eventually, the farmer alone must accept and use the technology to improve himself. That's the issue; and the standard. The rest is rhetoric.

#### Recommendations:

1) You cannot use automated farm records for loan analysis unless you know how it works. Go buy a micro-computer.

2) Go buy an IBM or an IBM work-alike. Don't worry about getting exactly the "right" machine; it is disposable anyway. Worry about continuity of your records for the future.

3) Out of the top 100 farm software publishers, only a handful know which way the wind is blowing down on the farm and are able to support you. Find one of those.

4) Figure out how you are going to position a coalition of local people who have a vested interest in farmers learning business management skills. Don't be proprietary. Don't wait for a "Top Down," comprehensive task force from the state or federal government.

5) Your coalition should have one goal: Getting one local farmer (at a time) to learn how to manage for and achieve a profit, regardless of weather or politics, and then teach his friends and neighbors who will listen and learn.

6) Start with simple records. Start with the standards farmers already understand, such as cash income and expense schedule F records, broken down by enterprise.

Then move on to a well thought out, direct growth path to the more obscure concepts. Make certain, from the beginning, the farmers know exactly where and why you are leading them! Explain why you need these records and what you do with them.

7) Here's wishing you success in helping your clients learn to Farm Smart!!!

■ **ABOUT THE AUTHOR**—Bill Young is an Iowa pork producer; a 1972 grad of the University of Iowa (finance and accounting); and director of marketing for FBS Systems, a farm software publisher located near Aledo, Ill., (the publisher of CFS Software\* for bankers and farmers and the FARM SMART newsletter). \*Copyright (c) FBS Systems 1985



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**E**VERY person who is trying to "save for a rainy day" or is looking for the best return and best growth on one's personal funds has learned how to shop for financial services in the past several years. Because of the need for reliable financial information, counseling and guidance, a new specialty called The Financial Planner has come into existence. How does one become a real Financial Planner? What are the requirements and ground rules?

The answer can be found with the Institute of Certified Planners, a Denver-based professional organization representing more than 16,500 members — Certified Planners — and candidates seeking the CFP designation. The ICFP has adopted the following position paper which explains the Institute's objectives, and its expectations of those who would serve others in the name of financial planning:

\* \* \* \* \*

**P**ERSONAL financial planning is the organization of an individual's financial and personal data for the purpose of developing a strategic plan to constructively manage income, assets and liabilities to meet near and long-term goals and objectives. Important to the success of the personal financial planning process is the monitoring and periodic review of the plan to assure that it continues to meet individual needs.

The process will usually involve the retention of a Financial Planner, with the relationship between the Planner and Client being of a confidential nature.

The Financial Planner is, in most cases, a generalist drawing upon knowledge of accounting and tax law in order to analyze and draft net worth, income and cash flow statements, and define planning areas which may include accounting, law, investments, insurance, real estate or trust services. Accordingly, the nature of the financial planning profession requires skill, knowledge and experience in a broad range of disciplines — more so than is required by any other singular financial function. This expertise is attained through a variety of educational processes, including degreed education, professional training programs and related continuing education.

The ultimate goal of a Financial Planner/Client relationship in the personal financial planning process is the development of a concise, cohesive, written financial model for the Client to use in achieving personal financial goals. To develop the model, the Client's current financial condition is thoroughly analyzed for strengths and weaknesses. Planners examine net worth, monthly income and expense statements, savings and investment programs, income tax planning, business income, capital, and risk and benefits management.

The Client's general objectives, such as maintaining his standard of living or achieving financial security, are kept in mind as the step-by-step process evolves. After the financial analysis is conducted, strategies are designed which may involve the use of various financial products and/or services to attain desired goals. After the plan has been set into motion, the Financial Planner and Client work together to monitor progress and make adjustments, as may be necessary, to take into account changes in the Client's financial, personal and economic environments.

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# THE CERTIFIED FINANCIAL PLANNER

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Other specific areas which often come under review by the Financial Planner include analysis of a Client's personal income and capital needs to cover contingencies such as death, disability or serious illness; the projected expense for children's education; the identification of various risks to income or capital; the review of insurance coverages designed to protect against possible losses resulting from death, disability, major illness and personal liability; and an estimation of the Client's estate and resulting distribution, including taxes, costs and terms of the distribution.

Upon completion of the financial analysis, the Financial Planner prepares a written report, which provides observations, recommendations and alternative solutions to meet the Client's predetermined financial goals. This report establishes the foundation for implementation of an action plan using various financial products and/or services in keeping with the Client's needs, preferences and acceptable levels of risk.

In agreement with the Client, the Financial Planner accepts responsibility for its implementation and monitoring. The Financial Planner, however, will often consult and coordinate activities with the Client's other advisers, such as attorney, accountant, trust officer, investment or insurance specialist. These efforts on behalf of the Client will assist the Financial Planner to better understand and comprehend the Client's financial goals and have a knowledge of the individual's past financial behavior.

The experienced Financial Planner abides by established Standards of Professional Practice and a Code of Ethics which set forth performance guidelines.

Integrity, objectivity and independence in dealing with the Client should, at all times, be maintained by the Financial Planner. Integrity is fundamental to the intimate and confidential nature of the Financial Planner/Client relationship; objectivity must be maintained by the Financial Planner to remain impartial in all matters under review; and independence from outside influences which detract from the fundamental purpose of financial planning permits the Financial Planner to keep the Client's best interests foremost in mind.

The Financial Planner must place the interest and well-being of the Client and the public above all else. Thus, it is important to clearly define and document, in



- writing, the responsibilities of each party. Further, should any material circumstances arise which may jeopardize the relationship between the Planner and Client; or if there is a possibility of a conflict of interest, disclosure of such circumstances must be made by the Planner. Description of services to be performed and the fees for such services are to be made available to all clients and potential clients and included as part of the written contract between the Planner and Client.

- The Financial Planner should be familiar with all legislation, regulations and licensing requirements governing the activities of financial planners which are established by federal and state regulatory and legislative bodies. In particular, unless otherwise exempt, the Financial Planner must comply with the investment adviser registration requirement of the Securities and Exchange Commission (SEC) and the correspondent requirements of each state where the Planner has clients, or be an agent of a properly registered invest-

ment adviser.

Professional requirements necessitate that the Financial Planner, through continuing education, seek to improve and upgrade knowledge in the ever-changing and complex economic and financial climate.

The benefits derived from Personal Financial Planning — tangible and intangible — are manifold. The collection and organization of financial data into a working written format provide a framework for Clients to better understand present financial circumstances and needs, and their corresponding relationship to future goals. Personal financial plans establish a course of action which identifies the priorities and purposes of each individual and provides a direction to assure that Client capital and income are being utilized in the most effective and efficient manner possible. □

**Ed. Note:** Bankers seeking more information on the ICFP should contact Marv Tuttle at The Institute for Certified Planners, 3443 South Galena, Suite 190, Denver, Colo. 80231-5093. 303/751-7600.

## What to do when your bank is robbed

- **E**VERY bank manager and every bankers association periodically reminds bank employees of procedures to follow if a hold-up occurs. Instructions can get to be old-hat, but just when they do and a staff lets down its guard, the unwanted incident may likely occur. The Nebraska Bankers Association recently reminded its membership of what to do if the bank is robbed and those instructions from Don Towle, president of Kansas Bankers Surety Co., are presented here:

- **F**EDERAL Reserve Board regulation P and FDIC Rules and Regulations 326.0-326.7 require banks to "provide for training and periodic retraining of employees in their responsibilities under the security program, including use of security devices and proper employee conduct during and after a robbery."

- In an effort to assist banks in complying with the regulations, the following outline of proper hold-up procedures may be duplicated and posted in the teller's work areas and employee lounge, as well as used by the security officer in the periodic training and retraining of bank employees.

### Before the Hold-Up

- 1. Keep currency in the top working drawer to the absolute minimum (three to five thousand dollars).
- 2. Keep excess of minimum cash in a second LOCKED drawer, available to the teller but not immediately available to bandits.
- 3. Keep bait money in each drawer, the vault cash, and with all cash carried by a bank messenger.
- 4. Most important - stay alert, observe the activity in the bank lobby.

- 5. Know where the alarm is and how to set it off, if necessary.

### During the Hold-Up

- 1. Obey the robber's demands - SLOWLY.
- 2. Avoid any action which might endanger anyone's life.
- 3. Activate the alarm and camera if it can be done safely. Bill trap alarms can always be set off. Buttons and foot alarms may not be safely set off until the robber turns to leave the teller's window.
- 4. Observe the robbery. Be a witness, not just a victim.
- 5. Do not give the robber more than he demands.
- 6. Retain any note used by the robber.
- 7. Be sure to include the bait money and security packs.
- 8. Set off the alarm immediately after the robber is gone even if it has already been set off.
- 9. Observe the robber's direction of escape, type of vehicle and license.

### After the Hold-Up

- 1. Call the police IMMEDIATELY. Quickly describe the bandits, their getaway methods and direction.
- 2. Stay on the telephone until the police tell you to hang up.
- 3. Send someone outside to meet the authorities when they arrive.
- 4. Secure the area where the robbers may have left fingerprints or other evidence.
- 5. Complete the robbery description report before talking to anyone about the details of the hold-up.
- 6. One person should be designated to speak to the news services. The bank spokesman must:
  - (a) Not disclose the amount of the loss
  - (b) Not disclose the names of tellers or witnesses
  - (c) Not allow news photographs or TV coverage inside the bank
  - (d) Not disclose security procedures of the bank
  - (e) Not disclose information about overlooked or safeguard cash not lost.
- 7. Report to the news services any rewards that are offered.
- 8. Notify the bonding company and appropriate supervisory authorities. □



## Prochnow Foundation Funds Research

THE Herbert V. Prochnow Educational Foundation of the Graduate School of Banking at Wisconsin has embarked on an ambitious program to fund banking research and other educational projects, according to Richard I. Doolittle, executive vice president and staff director of GSB.

The Foundation, which was established in August, 1983, honors Dr. Herbert V. Prochnow, founder of the Graduate School of Banking.

According to Mr. Doolittle, the Foundation will provide funding for research, technical studies, fellowships, educational products, materials, and support for GSB and its sponsoring state bankers associations.

For example, the Foundation has recently distributed questionnaires to more than 8,000 CEOs through its 16 sponsoring state associations to solicit input on which research activities would best meet the needs of banks and bankers in today's environment. Survey responses will be submitted to the Foundation's Research and Project Committee and will guide the Foundation in the selection of topics to be funded for research in the months ahead.

The Foundation also will continue to underwrite fellowships, grants and award programs—such as the Banking Fellowship for Business Journalists and the Banking Seminar for College Faculty—that

benefit the Graduate School of Banking and the commercial banking community at large.

Other examples of the Foundation's step-up efforts include last year's purchase of 100 IBM-PCs in cooperation with the University of Wisconsin-Madison. GSB students now have access to a microcomputer lab that enhances the overall effectiveness of their educational experience.

The Foundation also provides financial and technical support to sponsoring state bankers associations in the development of state and multi-state education programs, primarily those within the American Bankers Association's Professional Development Program framework.

Through the years, the Foundation and its predecessor, the GSB Educational fund, have returned nearly \$1 million of GSB operating surpluses to the banking industry, Mr. Doolittle said.

Dr. Prochnow, 87, the Foundation's namesake, retired in 1962 as president of First National Bank of Chicago. A counselor to various governments around the world, he served as deputy undersecretary of state for economic affairs in the Eisenhower administration and was a founder and president of the International Monetary Conference. He authored and edited a number of well-known books including *The Changing World of Banking*, 1974,

*Dilemmas Facing the Nation*, 1979, and *Bank Credit*, 1981. Dr. Prochnow served as director of the banking school for nearly 40 years during which time more than 13,000 GSB students have graduated. He continues to be a distinguished lecturer at GSB.

### Correction!

In a feature article in the May NORTHWESTERN BANKER on page 20 titled, "Nebraska Banking Department Initiates 'Self-Examination,'" reference was made to the 1983 failure of Commonwealth Savings Co. of Lincoln. The name was inadvertently typed as Commercial Federal Savings Association in Lincoln which, of course is incorrect. It was the Commonwealth, as midwestern bankers know, that failed.

Commercial Federal Savings and Loan, headquartered in Omaha, is the state's largest savings institution and has no relationship to Commonwealth, which was an industrial bank.

The same error was made on page 53 of the June issue carrying the report from the Nebraska Bankers Association convention. Commonwealth was correctly identified in three places in the reference to that industrial bank's failure, but in a fourth place the name was inadvertently listed as Commercial Savings. As noted above, there is no connection between the two firms.

THE NORTHWESTERN BANKER extends its apology to Commercial Federal and its readers for the incorrect identification in these two stories.

### First Chicago Purchases \$1 Million Digital System

Digital Equipment Corporation announced last month the sale of a \$1 million computer system to The First National Bank of Chicago. It will be used to implement an application program that will upgrade the bank's current system for letter of credit transactions, collections and acceptances. Under terms of the agreement, Digital will provide First National with a VAXcluster configuration of two VAX-11/785 systems, DECnet/Ethernet communications, and software and services including DATATRIEVE, a comprehensive data management tool.

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## Bank Promotions

**P**ROMOTIONS and other announcements have been made by the following banks and holding companies:

**Centerre Bank, St. Louis, Mo.:** Recently announced was the election of Irene A. Looker as vice president of commercial lending-health-care; the appointment of Janet R. Johnston as auditor, and the appointment of Cheryl D. Vandelight as data processing officer.

Ms. Looker joined Centerre in 1982 and received her bachelor's degrees in English and secondary education and an MBA degree in finance and marketing from the University of Cincinnati.

Ms. Johnston joined Centerre in 1978 and previously was assistant auditor. Ms. Vandelight has eight years of prior computer programming experience and joined Centerre in 1980.

**Commerce Bank of Kansas City, Mo.:** Marc J. Andreoli has been elected vice president, trust division and manager of trust operations and Michael S. Spafford has been elected vice president. Two new assistant vice presidents include Dennis R. Block, commercial lending, and William R. Mitchell, bond department.

Mr. Andreoli joined the bank in March of this year and previously was in the trust department of First National Bank, Topeka. He also has held similar positions with Affiliated Bankshares of Colorado, Denver.

Mr. Spafford has over 15 years banking experience, particularly in operations management. In his new position, he will coordinate the cash management services for the Kansas City region.

Mr. Block recently joined Commerce Bank and previously was with Merchantile Trust Company.

Mr. Mitchell has been with the bank since 1972, serving in supervisory positions in the bond and operations departments.

New officers elected are Steven W. Fletcher, bonds, and M. Blanche Kearny, operations.

**Continental Illinois Corporation and Continental Bank, Chicago, Ill.:**

William E. Deitrick has been named senior vice president of Continental Bank, and John J. Higgins has assumed the same title with the bank and the holding company.

Mr. Deitrick, 40, joined Continental Bank March 1 as an associate general counsel to head the litigation division of Continental's law department. He previously was a partner in the law firm of Gardner, Carton & Douglas, where he specialized in corporate litigation. He received a BA degree in 1967 from Johns Hopkins University, and a law degree in 1971 from Cornell Law School.

Mr. Higgins, 41, became controller of Continental Illinois Corporation and Continental Bank May 6. He had been senior vice president and controller of Chemical New York Corporation and Chemical Bank since 1981. Mr. Higgins began his career in 1966 with the accounting firm of Haskins & Sells, and joined Chemical in 1975. He received a BA degree in accounting in 1966 from Northeastern University.

**LaSalle National Bank, Chicago, Ill.:** Homer J. Livingston, Jr., president and chief executive officer of LaSalle National, an affiliate of Algemene Bank Nederland, N.V., announced that Michael D. Lindsey has been appointed vice president in charge of cash management. He will be responsible for the marketing and product development of the cash management division.

Mr. Lindsey launched his career in banking at the First National Bank of Chicago in 1970. Most recently, he worked as business manager in charge of remittance banking including all of First Chicago's regional lockbox processing centers. Mr. Lindsey has his BS in Finance from the University of Illinois and his MBA from the University of Chicago.

**Northern Trust Corporation, Chicago, Ill.:** The board of directors has approved the promotion of Van R. Gathany, 58, to the post of executive vice president of both the corporation and its principal subsidiary, The Northern Trust Com-

pany. He has served as deputy head of the trust and financial services business unit since 1972, with executive responsibility for the bank's services for individuals.

Mr. Gathany joined Northern Trust in 1950 and became a senior vice president in 1968.

**United Missouri Bank of Kansas City, N.A., Mo.:** The promotion of one vice president, three assistant vice presidents, three officers, one assistant officer and four assistant cashiers were recently announced.

Gregg Thomas was promoted to vice president in the personal financial planning division of the trust department where he is the manager. He joined the bank in 1981 and previously was associate partner with a law firm.

Named assistant vice presidents are Libby Bergman, personal financial services division of the trust department; Linda Kovar, bankcard division, and Eric D. Huff, loan review department.

Ms. Bergman joined the bank in 1981. Ms. Kovar has been with the bank since 1980. Mr. Huff was with the FDIC in the liquidation division prior to joining United Missouri in May.

New officers include: Suzanne M. Cayton, trust; Connie L. Henderson, trust tax; Donald R. Olson, commercial loans, and Mary Ann Oertel, assistant trust operations officer.

Elected assistant cashiers in the bankcard division are: Ron Thoni, where he is assistant manager of the retail card center; David L. Williams, where he is an assistant operations manager; Michael T. McConnell, where he is the accounting manager, and Richard Rowe, where he is an assistant credit manager.

### United Missouri Man Heads Freight Payment Banks

United Missouri Bank of Kansas City has announced that Harry A. Peel, vice president, has been installed as chairman of the National Association of Freight Payment Banks for the 1985-86 year.

Mr. Peel joined United Missouri in 1971 after graduating from the University of Kansas. He has been a member of NAFPB since 1980 and has served as the Midwest regional chairman and treasurer for the organization.



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ILLINOIS Banker Association officers are, front, Secy.—**Harlan K. Yates**, pres., Cisne St.; Treas.—**John W. Luttrell**, pres., First Natl., Decatur; back, Exec. Vice Pres.—**William J. Hocter**; Pres.—**G. Thomas Andes**, pres., First Natl., Belleville, and newly elected Vice Pres.—**Charles E. Waterman**, exec. v.p., South Holland T&S.

## Illinois Bankers Association Hosts Annual Convention in Chicago

By **ROBERT O. CRONIN**  
Associate Publisher

THE ILLINOIS BANKERS Association hosted its annual convention June 5-7 at the Marriott Hotel Chicago. The hotel is located on Chicago's North Michigan Avenue which is known as the "Magnificent Mile" because of its fine shops and restaurants. This year's convention, "Managing the Change that comes with Progress," was nothing short of magnificent.

Over 600 bankers and spouses were in attendance at this year's convention despite attendance being down about 10%, according to Tom Dammrich, senior vice president, IBA. And that figure is much lower than surrounding states. Over 80 exhibitors displayed the latest pro-

ducts, services and programs, and bankers had the opportunity to register for valuable prizes while enjoying live music.

A County Fair Party entitled, "Your Just Desserts," was held the first night of the convention. The party featured all of the sweets that you could possibly want, with the option of making your own sundae. Games of skill were available for bankers to try their luck at and ultimately win prizes. A live band, The Versatones, entertained until midnight.

G. Thomas Andes, president of First National Bank of Belleville, presided at the convention. Mr. Andes called the meeting to order Thursday morning by introducing a tribute to America, an audio-visual presentation, which was followed by

**Dr. Roy E. Moor**, senior vice president and chief economist for First National Bank of Chicago. Dr. Moor's topic, "Illinois Banking in Recession," was one of pessimism, compared to other convention speakers. "As I see it, Illinois banking is in for the toughest two years since World War II," said Dr. Moor. Many of the programs that bankers have relied on are being reduced or eliminated, according to Dr. Moor. "With Reagan's tax proposal, programs will be cut and taxes increased," Dr. Moor continued, as he told bankers, "what I have to say will not make your day."

**Robert M. Bleiberg**, editorial director and publisher of *Barrons Weekly*, was the second speaker of the morning session. On a more optimistic note, Mr. Bleiberg forecasted that we will have four to six months of low economic growth, but after that, interest rates will go down, stocks and bonds will go up, and we will get "our second wind." Mr. Bleiberg concluded that we shouldn't get carried away by pessimism, but to prepare ourselves for new opportunities-what he calls, "the amazing '80s."

An informative session was presented by **J.P. Bolduc**, former chief operating officer, President's Private Sector Survey on Cost Control in the Federal Government. His topic "Will Our Children Ever Forgive Us?" highlighted cases of government over-spending and ways in which we could reduce the budget deficit. "We have to get the attention of those people that make the decisions," Mr. Bolduc told, "the power is still with the people."

During the afternoon luncheon, hosted by the Graduate School of Banking, **Dr. Barry Asmus**, economist, author and lecturer, gave an arousing presentation which he



LEFT—IBA Pres.—**G. Thomas Andes**, pres., First Natl., Bellville, with **Dr. Roy E. Moor**, sr. v.p. and chief econ., First Natl., Chicago. RIGHT—**Marlin D. Jackson**, Ark. Bk. Comm., Little Rock, with **Tom J. Dammrich**, sr. v.p., IBA.





called "Cornering the Coming Boom." His optimistic and enthusiastic presentation was warmly accepted as Dr. Asmus encouraged bankers to be proud of what they have accomplished.

Workshops concluded the day's activities. A wide variety of topics were available including, "Improving Returns on Your Tax-Exempt Portfolio," "Implementing Mergers and Acquisitions in the Financial

Services Industry," "Executive Compensation for the Profit-Minded Banker" and "How to Prevent Kidnapping and Extortion within the Banking Industry."

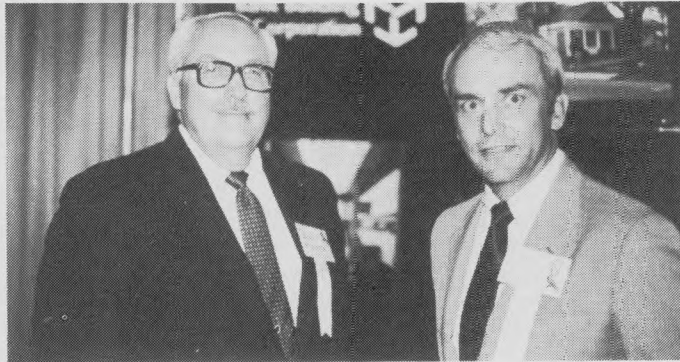
The concluding day of general session activities was packed with informative speakers. **Marlin D. Jackson**, Arkansas Bank Commissioner, Little Rock, spoke on "Bank Derogulation - Regional Reciprocity: Curse or Cure?" Mr. Jackson

pointed out that the big banks of Wall Street who want interstate banking, are not fully aware of the situation in local community banks. "Community banks should stick to the basics of banking—eliminate the greed, save some reserves and be cautious," Mr. Jackson told.

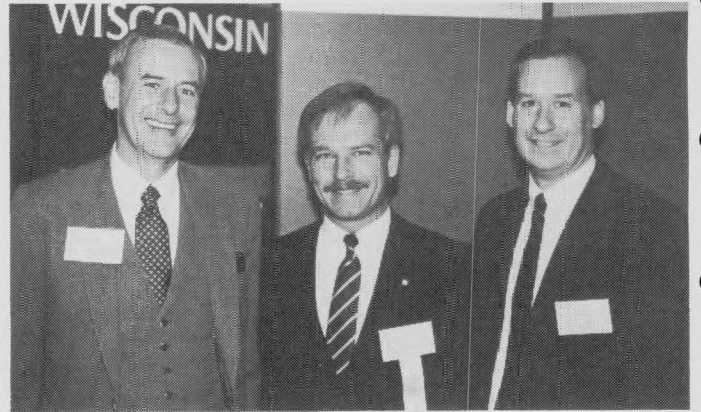
A note: the IBA supports legislation designed to create a midwest banking region — Illinois, Indiana, Iowa, Kentucky, Michigan, Mis-



LEFT—Representing The Exchange Natl., Chicago: **Audrey and Ira Kaufman**, chmn. and c.e.o.; **Alice and Gregory Kobus**, 1st v.p., head corr. div. RIGHT—**William H. Krause**, 1st v.p., and **Joyce**, with **Phyllis and Robert W. Brelsch**, pres., Mazon St.

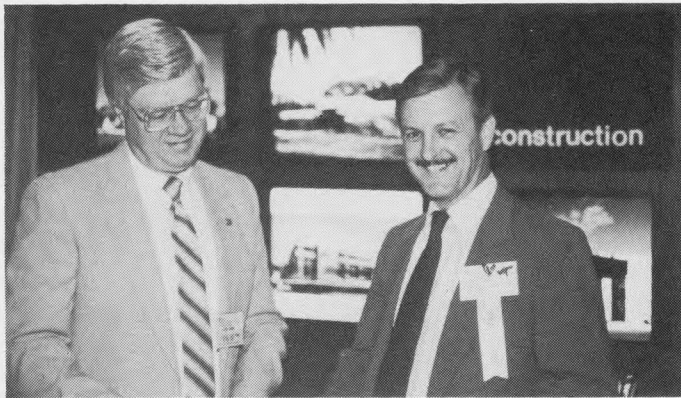


LEFT—**John Posh** and **Allan Larson**, Bank Building Corporation, St. Louis. RIGHT—Representing LaSalle Natl., Chicago: **Magdalena Aguilar**, fin. serv. off.; **Wayne L. Bismark**, v.p., corr. bkg. and fin. inst. div., and **Barbara R. Winter**, In. off., corr. bkg.



LEFT—**Joe Crabb**, pres., First St., Harvard, and **Dorothy**; **Roger Fitzsimonds**, exec. v.p., First Wisconsin, and **Tom Lee**, corr. off., First Wisconsin. RIGHT—**Roger Himmel**, a.v.p.; **Jerry Gassen**, a.v.p., and **David Titus**, v.p., all with First Wisconsin.





**LEFT—Loren Harms, v.p., First St., Red Bud, with Tom O'Toole, acct. exec., HBE Bank Facilities, St. Louis. RIGHT—Mrs. Judy Cory; Dave Albertson, pres., St. Natl., Evanston, and Carol, with James Monhart, comm. bkg. off., Northern Trust, Chicago.**

souri and Wisconsin. This legislation would allow the purchase of banks and bank holding companies on a reciprocal interstate basis.

"It feels like we are at a cocktail party," was the opening comment from **Peter G. Peterson**, chairman, Peterson-Jacobs & Company, New York. His comment, referring to our economy, was in conjunction with his topic, "The Twin Deficits—Budget and Trade—Are They Sustainable?" Mr. Peterson said, "interest rates in this country would be much higher if it weren't for foreign dollars coming in. Our country has been enjoying growth that is financed by foreign dollars," he informed.

After a delightful luncheon presentation by Art Linkletter, entertainer, author and businessman, the final session of the convention began with **Dr. Clifford Hardin**, Center for the Study of American Business, Washington University, St. Louis. Dr. Hardin, who spoke on "Agricultural Policy Issues," told bankers that we must break off from the

past. "We need to concentrate on exporting more, either exports have to grow or production will have to be reduced," Dr. Hardin said. He finalized by telling those in attendance, "we need a set of quality programs for exporting of our commodities."

**Dr. Jean J. Kirkpatrick**, former U.S. Ambassador to the United Nations, closed the final session with a very informative update on U.S. relations with Central America—namely Nicaragua. She informed the large gathering of bankers and news media, "the Soviets define us as a target of their action and that Soviet long term goals are for world supremacy. The U.S. has never had to worry about its borders," Dr. Kirkpatrick told, "and this is a very important issue that confronts us now and will continue to do so in the years to come."

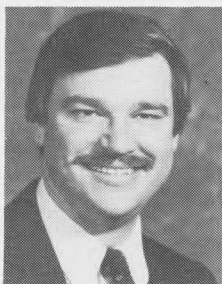
**Mark Russell**, political satirist and regular on NBC TV's "Real People," was the featured entertainment of the IBA Banquet. Also, Warren Covington and his Orches-

tra played for listening and dancing pleasure. Many hospitality suites encouraged bankers to get together with old friends and to make new ones. A complimentary reception was jointly held Wednesday evening by Continental Illinois National Bank and Trust, First National Bank, Harris Trust and Savings Bank and The Northern Trust Company, all from Chicago.

Chuck Waterman, executive vice president, South Holland Trust and Savings Bank, was appointed as new vice president for the association. He joins current IBA officers: President—G. Thomas Andes, president, First National Bank of Belleville; Secretary—Harlan Yates, president, Cisne State Bank; Treasurer—John Luttrell, president, First National Bank, Decatur, and Executive Vice President—William J. Hocter. At the time of this report, IBA officials were considering changing the association's fiscal year to July 1 through June 30. □

### Promoted in Sterling

Jeffrey W. Davey has been promoted to an agricultural lending officer at the First National Bank of Sterling. Mr. Davey joined the agricultural lending department at First National in January of 1985. He was a loan officer with Bloomington PCA from 1981 to 1985, becoming the Eureka branch manager in 1982.



**J.W. DAVEY**

### Lund Elected President in Wilmette

The First National Bank of Wilmette has elected James B. Lund as president and chief executive officer. Mr. Lund joined the bank this year from Matteson Rich-ton Bank where he served as a director, officer and member of the executive committee.



**J.B. LUND**

### President Elected at Evergreen Park

Kenneth J. Ozinga has been elected president of First National Bank of Evergreen Park. Mr. Ozinga, who has served as president of Clearing Bank since February 1982 and president of Oak Lawn National Bank since it became an Evergreen Bank in April 1983, will serve as president of all three Evergreen Banks.

Also elected was Martin Ozinga, Jr. to chairman of First National Bank of Evergreen Park. He succeeds Frank Ozinga, who has served as chairman since 1949 and who was



designated honorary chairman of the board. Martin Ozinga, Jr. will continue to serve as chairman of the boards of Clearing Bank and Oak Lawn National Bank, as well as chairman and president of First Evergreen Corporation.



SEATED, Martin Ozinga, Jr.; standing, Kenneth J. Ozinga.

### Appointed in Waukegan

First Midwest Bank, Waukegan, has announced two new appointments. Appointed to the position of senior vice president, marketing and planning is Thomas F. Franklin, and elected to credit administrator and loan review officer is Michael J. Grigsby.

Mr. Franklin was previously employed by Elmhurst National Bank as vice president/division head corporate planning/marketing. Prior to that he served at Union National Bank of Elgin and First National Bank of Elgin in the areas of consumer lending, marketing and commercial development.

Mr. Grigsby previously served as credit manager and credit loan review officer within the corporate bank group at State National Bank, Evanston. Prior to that, he served as a consumer loan counselor. He was also employed as a collection manager by Devon Bank in Chicago.

### Main Bank Members Walk for March of Dimes

Sixteen employees and friends of the Main Bank—Wheeling Office participated in the recent March of Dimes/Walk America fund raising walk. Led by team captain Beckie Loughlin, the group completed the 18 mile walk and raised about \$4000 in pledges to prevent birth defects.



Nicholas J. De Leonardis has recently been appointed senior vice president and treasurer of LaSalle National Bank and will manage the municipal bond, bank building, and portfolio management areas as well as serve as chairman of the funds management committee.

Mr. De Leonardis joins LaSalle Bank with extensive experience. For more than 20 years he has held several management positions with The First National Bank of Chicago in the bond department. His most recent assignment was vice president and chairman of the money management committee at First Chicago.

\* \* \*

James W. Aldrich was recently elected president and CEO of Northwest National Bank of Chicago.

He succeeds Fred W. Heitmann Jr. who has become president of Northwest National's one bank holding company, Northwestco.



J. ALDRICH

Prior to joining Northwest National, Mr. Aldrich was with Society National Bank, Canton, Ohio, where he most recently served as executive vice president of lending for Society National Bank of Eastern Ohio, a consolidated division for Society National's affiliates.

Mr. Aldrich began his banking career in 1971 with National City Bank, Cleveland, Ohio, after serving two years with IBM Corporation in

Akron. In 1982, he joined Harter Bank and Trust Company, Canton, as senior vice president and soon after was named executive vice president of lending.

\* \* \*

Gerald F. Milano, president and COO of the Chicago Clearing House Association since 1982, has resigned his post. Mr. Milano will be assuming a similar position as executive director of the California Bankers Clearing House Association early this month.

Robert Buskas, a senior vice president at American National and head of the association's steering committee will oversee the search for Milano's successor which will begin immediately. Mr. Buskas will also act as interim administrator in co-operation with the association's staff while a new president is being sought.

\* \* \*

Lee Phillip and Sandra Seay Dodge have been recently elected the first women to the board of directors of Chicago Bank of Commerce.

Ms. Phillip is presently Channel 2's director of special projects/programming, host of a weekly program, and co-creator with her husband, William Bell, of the CBS daytime drama, "The Young and the Restless."

Ms. Dodge serves as president of Gordon Strong and Co., and recently started an interior design business in Crystal Lake.

\* \* \*

First Colonial Bankshares Corporation, bank group for All American Bank of Chicago, Colonial Bank and Trust Company of Chicago, Michigan Avenue National Bank of Chicago and Northwest Commerce Bank of Rosemont, has recently introduced a new Home Equity Line of Credit program.

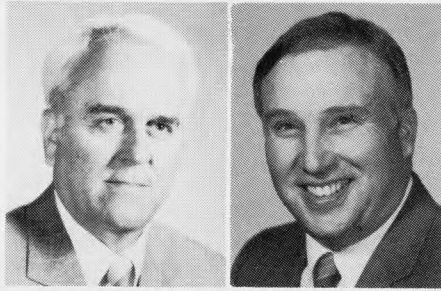
According to First Colonial Chairman C. Paul Johnson, the Home Equity Line of Credit program is a convenient, flexible and low cost revolving line of credit that allows homeowners to maximize their purchasing power.

Program participants pay interest only on the borrowed funds and have the option to make partial or full principal payments at any time during a five year term.



## South Dakota

B.C. Solum, pres., Watertown  
J.M. Schwartz, exec. mgr., Pierre



### V.P. Retires at First Bank

Lynn Albers has recently retired as executive vice president and eastern division head of First Bank of South Dakota. His banking career has spanned nearly four decades.

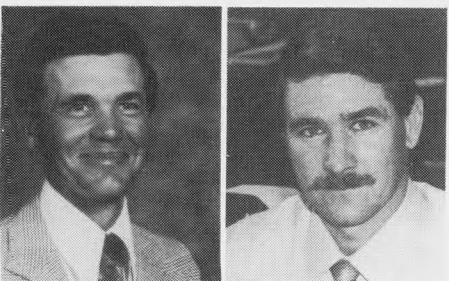
Mr. Albers began his career in 1946 at Security Pacific Bank in Los Angeles, Calif. He joined First Bank of South Dakota in 1953 at the main office in Sioux Falls. In 1954 he was promoted to assistant branch manager at South Branch, advancing to branch manager in 1963. Mr. Albers was named to his current position in 1982.



L. ALBERS

### Three Appointed in Lemmon

First Bank Lemmon recently appointed Lee Buffington as president, and Nicholas Isaacs and Garriss Nieuwsma as ag loan officers.



L. BUFFINGTON

N. ISAACS

Mr. Buffington joined First Bank System as an agricultural representative at First Bank Miles City, Mont. in 1968. He was promoted to vice president and manager at First Bank Wessington Springs in 1974 and was elected president in 1982. In February of this year, Mr. Buffington transferred to Lemmon as executive vice president.

Mr. Isaacs joins the bank with previous experience as an ag loan

officer with the production credit association in Miles City, Mont.

Mr. Nieuwsma joins First Bank Lemmon after working for the Farmers Home Administration for the past six years. He has also worked for the past 6 months as a farm credit analyst for the North Dakota extension service.

### Watertown Appoints Officers

Norwest Banks, Watertown, has promoted Diane M. Gutormson to assistant vice president and Louise Fransen to district credit officer.

Ms. Gutormson joined Norwest in 1981. Prior to assuming her duties as assistant vice president, commercial banking, she was an installment loan officer.

Ms. Fransen joined Norwest in 1977. Before assuming her position as Northeast district credit officer, she was in the Watertown branch credit department.

### Aberdeen Promotes Officer

Norwest Bank South Dakota, N.A. has announced the promotion of James D. Laird to trust officer in Aberdeen.

Mr. Laird joined Norwest Capital Management and Trust Company, S.D., in 1984. He graduated from Northern State College with a degree in business administration.

### Mitchell Advances Three

Norwest Bank South Dakota, N.A. announced the following promotions in Mitchell:

James Winterboer, Arlen In't Veld and Bob Zell to assistant vice presidents/agricultural banking.

Mr. Winterboer joined Norwest in 1984 as an agricultural banking officer. Prior to joining Norwest, he was with PCA in Watertown.

Mr. In't Veld joined Norwest in Sioux Falls in 1975 and moved to Mitchell in 1983 as assistant vice

president/district operations. Prior to moving to Mitchell, he was with Norwest in Huron from 1981 to 1983.

Mr. Zell began his career with Norwest in 1984 as an agricultural banking officer. Prior to joining Norwest, he was with the Federal Land Bank in Pierre and Belle Fourche.

### Sioux Falls Elects Two

First Bank of South Dakota in Sioux Falls has recently elected Gale Skarphol as vice president and Kathy Sorenson as a personal banking officer.



G. SKARPHOL

K. SORENSON

Mr. Skarphol joined First Bank System in 1973 as an audit clerk at First Bank, N.D. He graduated from Minot State College in 1974 and transferred to First System Services as regional auditor. Mr. Skarphol joined First Bank of South Dakota as an auditor in 1976 and was named assistant vice president and operations manager in 1979. In 1982 he transferred back to First Systems Services where he managed audits for S.D., N.D., and Mont. FBS affiliates. In his new position, he will serve as the Sioux Falls operations manager.

Ms. Sorenson joined the bank as a part-time teller in 1983.

### Sioux Falls Promotes Four

Norwest Bank South Dakota, N.A. has recently announced the promotion of four officers in the Sioux Falls branch.

Rick Miller has been promoted to mortgage loan officer, Eric D. Hohman to client executive, financial institutions group, and Mark Lovre to mortgage loan officer. Thomas Alexander has joined the bank as mortgage loan officer.

Mr. Miller joined Norwest in 1974. Prior to assuming his new duties, he was an ag banking officer in Chamberlain.

Mr. Hohman has been with Nor-



west since 1979. Before assuming his new duties as client executive, he was a credit officer. Prior to that, he was at Westwood Branch in Sioux Falls.

Mr. Lovre joined Norwest in 1975 and in 1977 transferred to Brookings, where he was most recently a personal banking officer.

Mr. Alexander was previously associated with Security First Corporation in Sioux Falls.

### Aberdeen Promotes Three

The board of First Bank of South Dakota has recently promoted one officer and elected two new officers at First Bank Aberdeen.

Jeffrey Watson has been promoted to assistant vice president, Patricia Lux was elected installment loan officer and Casey Derflinger was elected ag loan officer.

Mr. Watson joined First Bank Redfield as a management associate in 1980. He was elected an ag loan officer in 1982 and transferred to First Bank Aberdeen in 1983.

Ms. Lux joined First Bank Aberdeen in 1984 as an entry level professional development candidate.

Mr. Derflinger joins the bank after working at the McCook County National Bank in Salem, S.D.

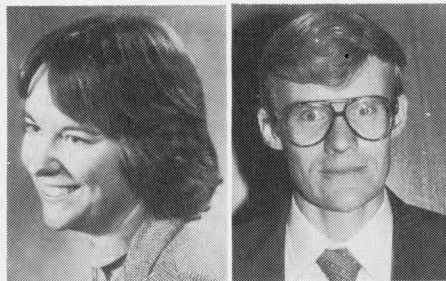
### Officer Elected at Clark

The board of First Bank of South Dakota has elected Charles Ewalt as ag loan officer at First Bank Clark.

Mr. Ewalt joined First Bank Clark in 1984 under the entry level professional development program. He is a 1984 graduate of the University of South Dakota and holds a degree in economics.

### Two Promoted to Ass't V.P. In Wessington Springs

First Bank Wessington Springs recently promoted JoAnn Morford-Burg and Charles Bergeleen to the positions of assistant vice presidents.



J. MORFORD-BURG C. BERGELEEN

Ms. Burg joined First Bank Presho as a management associate in 1980. She was elected ag loan officer in 1981 and transferred to First Bank Wessington Springs a year later.

Mr. Bergeleen joined First Bank Wessington Springs as a management trainee in 1980. He was elected loan officer in 1981.

### First Bank Appoints V.P.

The board of First Bank of South Dakota, Sioux Falls, has elected George M. Leland as executive vice president.

Mr. Leland joins the bank from his most recent position as managing director for First Bank System's Southwest Minnesota region, a position he has held since June of 1983. He began his career with First Bank System, Inc. in 1951 as an agricultural lender with First Bank Austin, Minn. advancing to the position of senior vice president and second officer. In 1968, Mr. Leland was promoted to president of First Bank Mankato, Minn. and in 1975 he was elected president of First Bank Western Montana-Missoula.

In his new position, Mr. Leland will continue to have overall management responsibility for First Bank System's eight Southwest Minnesota affiliate locations as well as for the First Banks in Madison Vermillion, Platte, and Corsica, S.D.



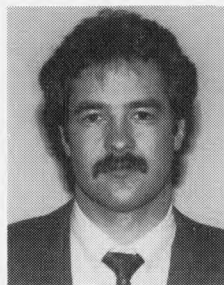
G. LELAND

### Madison Staff Adds Two

First Bank Madison has recently elected Randy Eide as retail loan officer and Gerald Jefferis as ag loan officer.

Mr. Eide joined First Bank Madison in 1984 in the entry level development program. He is a 1984 graduate of the University of South Dakota where he obtained a degree in management.

Mr. Jefferis joins First Bank after working for the Federal Land Bank



G. JEFFERIS

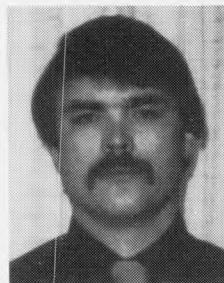
Association in St. James, Minn. for the past three years. He graduated from South Dakota State University in 1981 with a degree in ag finance.

### Gettysburg Elects Officer

Doug Kruchten has been elected ag loan officer at First Bank Gettysburg by the board of First Bank of South Dakota.

Mr. Kruchten joined First Bank Miller in April of 1984. He transferred to First Bank Gettysburg in October, 1984.

Mr. Kruchten graduated from Buena Vista College with a degree in finance.



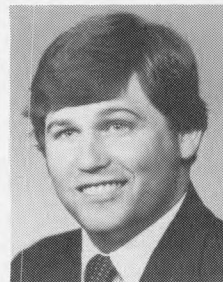
D. KRUCHTEN

### Presho Appointments Told

First Bank Presho recently named Rocky Boer as assistant vice president and Anthony Timson as ag loan officer.

Mr. Boer joined First Bank as a management associate in the Madison office in 1980. A year later he transferred to First Bank Presho and was elected loan officer.

Mr. Timson joins First Bank Presho after working for the past two years at the National Bank of Neligh, Neb., in the bank's Verdigre branch, serving most recently as assistant vice president.



R. BOER

### Sears to Acquire Hurley State Bank

Sears, Roebuck & Co. has announced plans to acquire Hurley State Bank. Dean Witter Financial Services Group, a Sears subsidiary, has reached an agreement in principle to acquire Hurley State Bank, with \$12 million in assets. Sears also recently acquired Greenwood Trust Co. in Greenwood, Del., and plans to use both banks for operation of its new credit and financial services card, Discover.





LEFT—North Dakota Bankers Association officers for 1985-86 are, Past Pres.—**Les Nesvig**, pres., The First St. Bank, LaMoure, and **Kathy**; Pres.—**William M. Sanger**, pres., First Bank of N.D., Wahpeton, and **Almee**. RIGHT—Pres.-Elect—**Harvey H. Huber**, pres., Union St., Hazen, and **Kathy**; Exec. Dir.—**Harry J. Argue** and **Linda**. Not pictured: Vice Pres. and Treas.—**John W. Pierson**, chmn., pres., and c.e.o., Norwest Bank, Minot.

#### At Annual Convention—

## Bankers Focus on 'Amazing 80s'

By **ROBERT O. CRONIN**  
Associate Publisher

"NORTH Dakota Bankers should get themselves ready for "The Amazing 80s." These remarks by **Robert M. Bleiberg**, editorial director and publisher of *Barron's*, N.Y., set the stage for the North Dakota Bankers Association's annual convention June 10-11. Held in Bismarck, this year's convention attracted nearly 400 bankers and spouses. Gary A. Flaa, president, Norwest Bank, Mandan, chaired the convention, "A Realistic Focus on the Future," which was entertaining and educational.

One of the many highlights of this convention was the election of NDBA officers for 1985-86. At the annual banquet Tuesday evening, **William M. Sanger**, president, First Bank of North Dakota, Wahpeton, assumed the responsibilities from

**Les Nesvig**, president, First State Bank of LaMoure. Mr. Sanger is anticipating a year of growth in the NDBA as he now takes over the duties of NDBA president. Joining Mr. Sanger are NDBA officers: Pres.-Elect—**Harvey H. Huber**, president, Union State Bank of Hazen; Vice Pres. and Treas.—**John W. Pierson**, chairman, president and CEO, Norwest Bank, Minot; Exec. Dir.—**Harry J. Argue** and Past Pres.—**Les Nesvig**.

A wide variety of speakers were at the convention including the governor of North Dakota. **Robert Bleiberg** of *Barron's* kicked off the opening business session with an optimistic look at our future in banking. Mr. Bleiberg said that interest rates will definitely shape our future and our recovery rate. "This recovery will not proceed in a straight line," said Mr. Bleiberg, "it will most likely have some zigs and some zags."

"The banking business is built on public confidence. People are more selective and will move from one bank to another at the first sign of trouble." These comments, from **Harvey R. Mitiguy**, president and chief executive officer, The Howard Bank, Burlington, Vt., and 1983-85 treasurer, ABA, explained how, when recent financial problems developed among S&Ls, many people



**Robert M. Bleiberg**, editorial dir. and pub., *Barron's Weekly*, N.Y. presenting his optimistic viewpoints for the American economy.



LEFT—**Jack Qultmeyer**, v.p., First Bank, Mpls.; **Mike Hoffman**, exec. v.p., First St., Munich; **Joe Zilkowski**, pres., First Natl., Belfield; **Ron Brandvold**, pres., Merchants Bank, Rugby; **Lee Hamre**, v.p., First Natl., Dickinson, and **Mike Mcardell**, corr. bkg. off., First Bank, Mpls. RIGHT—**Gary A. Flaa**, conv. gen. chmn., pres., Norwest Bank, Mandan, with **Dan Baker**, chmn., Tell America, Edmond, Okla.







**GOVERNOR** of North Dakota, **George A. Sinner**, addresses the farm land value crisis.

panicked and withdrew their money. "Safety and soundness is what the American people are looking for in their banks," he concluded.

Governor **George A. Sinner** shared with bankers that "the North Dakota agricultural problem has gotten worse." Governor Sinner told the attendees "change is hard to achieve in government, but I am supportive of a revenue bond to help property owners get their cash flow back to normal." Governor Sinner stated "consumers in this country are making out like bandits while the producing sector gets chewed up into little pieces." He blames this problem on the strong dollar.

**Jack Jackson**, Jack Jackson and Associates, Okla., known for his ability to relate the recent deregulation of the airline industry to the deregulation of the banking industry, told bankers they "need to get the big picture — a realistic focus on banking's future." He also informed bankers not to be content, but to adapt the attitude, "whatever we're doing good, we can and must do better."

**Gary H. Stern**, president, Federal Reserve Bank, Minneapolis, concluded the business session, concentrating on the state of the economy. He said "what we are experiencing is healthy; good competition is fundamentally healthy." Mr. Stern foresees more deregulation and more competition, especially with interstate banking legislation, "a trend," he says, "that is with us now and will be in the future." Mr. Stern's closing remarks summarized, "growth is necessary to assure the health of our nation, and competition is a vital part of growth."

**Dan Baker**, chairman, Tell America, Edmond, Okla., and Monday evening speaker, gave a very positive outlook, not only on banking and the economy, but on how we perceive ourselves. He told how we can change our destination by developing positive thoughts. Mr. Baker said "we must control what we



**William Sanger**, Pres., NDBA, congratulates Past-Pres., **Les Nesvig** at the annual banquet.

think about—people actually become what they think they are." In closing, Mr. Baker told the bankers that they must visualize themselves succeeding, "you must have positive thought." To coin a popular phrase, "whether you think you're a winner or a loser, you're right."

This year's convention did have its winners and losers as bankers and spouses competed in golfing and bowling tournaments. In addition to these activities, Bill Madison Big Band played for listening and dancing pleasure. The feature entertainment for the convention was the popular singing group, "The Arbors." □

## President Elected in Minot

Gary L. Wickre has recently been elected the president of First Bank Minot and will succeed Arnold L. Braaten who was elected chief executive officer of First Bank Grand Forks and division director for First Bank System's Northern North Dakota region earlier this year.

Mr. Wickre has most recently served as senior vice president of commercial and agricultural lending for the main office of First Bank of South Dakota in Sioux Falls. He began his career with First Bank System in 1966 when he joined First Bank Aberdeen, S.D., as an installment loan adjuster. In 1969, Mr. Wickre joined First Bank Northfield, Minn., and was promoted to vice president and cashier in 1972. Mr. Wickre joined First Bank Minot in 1974 as vice president of commercial lending, a position he held until 1979 when he was elected vice president of First Bank Wahpeton. He

has been associated with First Bank of South Dakota since 1981, and has served as vice president of the bank's Madison location and was elected its president in 1982. He became senior vice president of commercial lending and agricultural lending for First Bank of South Dakota earlier this year.

## President Elected in Fargo

Bert Gerhart has been elected president and director of Dakota Bank and Trust Company, Fargo.

Mr. Gerhart has served as president and board chairman of Dakota Bank and Trust Company of Bismarck since 1983. Prior to that, he served as president of Mandan Security Bank.

In other appointments, Kenneth H. Recker, Jr. was elected to the board of directors and Wayne C. Leiner has been named executive vice president of Dakota Bank and Trust Company.

Mr. Recker serves as executive vice president of Dakota Bank and Trust Company, Fargo, and president of Ada (Minn.) National Bank.

Mr. Leiner worked at Northwestern National Bank in Minneapolis from 1961-67 before transferring to Northwestern Bank in Great Falls, Mont. He joined Dakota Bank in 1978 as senior vice president and in 1981, he was elected to the board.

## Two Officers Advanced

Norwest Bank Bismarck recently announced the promotion of David M. Carlson and Dennis Walsh.

Mr. Carlson has been named agricultural loan representative. He has been with the bank since 1984.

Mr. Walsh has been named agricultural business client executive, which is a new concept for Norwest Bank. He will also continue to serve as vice president/manager of the ag loan department. Mr. Walsh joined the bank in October, 1983 after serving





LEFT—Representing Modern Computer Systems, Inc., Harvey, N.D., are **Mike Coalwell**, pres., and **Craig Gaffney**, sales rep. RIGHT—Representing North Central Life Ins. Co., St. Paul, are **Larry Walsh**, Fargo; **Keith Faulkner**, Moorehead, and **Mike Walsh**, Bismarck.



LEFT—**Dan Lessard**, NDBA past pres. 1972-73 and pres., First American, Grafton, and **Alice Wally Fay**, sr. v.p., Bank of N.D., Bismarck, and **Joan**. RIGHT—**Vivian and Earl L. Loken**, pres., First Bank, Rolla, with **Garnas and Lyle Askerooth**, v.p., Dawson Hail Ins., Fargo.



LEFT—**Don Barsness**, AWBW-Arch., Bismarck; **Roger Berglund**, pres., Dakota Western, Bowman; **Floyd Schorsch**, cash., McVillie St.; **Jack Campion**, v.p., Marquette Bank, Mpls., and **Paul Richter**, pres., First St., Regent. RIGHT—**Rich Dombeck**, sales rep., Deluxe Check, Fargo; **Bob Entringer**, cash., United Bank, Bismarck, and **Duane Lee**, sales rep., Deluxe Check, Bismarck.



LEFT—**Diana and Myron Pfeifle**, pres., Bismarck St., with **Bob W. Jacobson**, v.p., American Natl., St. Paul, and **Lori**. RIGHT—**Harry R. Miti-guy**, ABA treas., Burlington, Vt., with **Greg Schwarck**, new bus. exec., Norwest Bus. Cred., Mpls., and **Ed Sather**, v.p., Bank of N.D., Bismarck.



as an agricultural lender at Norwest Bank Aberdeen.

**Munich Executive Retires**

The First State Bank of Munich recently announced the retirement of M.I. Hoffmann, executive vice president and chairman effective July 1, 1985. Mr. Hoffman has spent his entire banking career of 47 years with the bank in Munich beginning June 1, 1938.

**Four Promoted in Hazen**

Union State Bank of Hazen, Hazen, North Dakota recently announced the promotion of four officers.

Debra E. Beck has been promoted to assistant vice president and mortgage loan officer. Ms. Beck has been with the bank since January, 1980.

Emma Christian has been named assistant vice president and will be responsible for student loans as well as serve as an IRA officer and a personal banking officer. Ms. Christian joined the Union State Bank in January, 1982.



D.E. BECK



E. CHRISTIAN



K.L. LEHR



M.M. SAVELKOUL

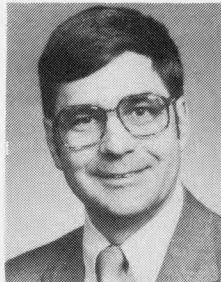
Kathy L. Lehr has been promoted to assistant vice president and marketing officer and in addition to her responsibilities with the marketing and advertising programs, she will continue in the consumer lending department. Ms. Lehr began her banking career with the Union State Bank in June, 1982.

Myra M. Savelkoul has been named vice president and senior mortgage officer and will have over-

all responsibility for the mortgage loan department as well as serve as compliance officer for the bank. Ms. Savelkoul joined the Union State Bank in June, 1980.

**New President Appointed**

Northwood State Bank, Northwood, recently announced the appointment of Cecil Tinderholt as president.



C. TINDERHOLT



D.R. LARSON

Mr. Tinderholt has been executive vice president and chief operating officer since January of 1985. He joined the staff at the Northwood State Bank in 1971 as assistant cashier, was promoted to assistant vice president and installment loan officer in 1978 and to vice president in 1979. He served in that capacity until his appointment in January of this year as executive vice president and chief operating officer. Mr. Tinderholt was previously employed by First Bank Systems in Minneapolis, Minn.

In other business, D.R. "Bing" Larson was elected to the board. Mr. Larson is a senior vice president with First National Bank in Grand Forks.

**Promoted in Dickinson**

Gordon L. Bickle has been elected chairman, president and chief executive officer by the board of directors of the First National Bank and Trust Company of Dickinson.

Mr. Bickle started in banking with First Bank Systems in 1953 at Miles City, Mont. as a part of the book-keeping department. He then moved to Bismarck in 1964 where he was a department head. In 1970 he moved to LaCrosse, Wis. where he held the



G.L. BICKLE

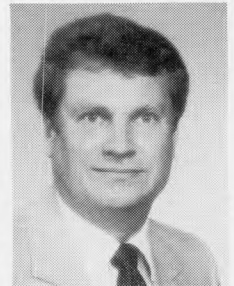
position of senior vice president and second officer, with the duties of management of the loan department. Next, he moved to Albert Lea, Minn., in 1973 where he was chairman, president and chief executive officer. In January, 1983 he moved back to Miles City, Mont., as chairman, president and chief executive officer. Mr. Bickle has retired from First Bank Systems after thirty-two years of service.

**N.A. Conversion Announced**

The office of the Comptroller of the Currency has recently announced the conversion from state to national charter of First State Bank of Cavalier to First Bank Cavalier, N.A. and First State Bank of Park River to First Bank Park River, N.A.

**Chairman Elected in Minot**

J. J. Vihstadt has been elected chairman of the board of First American Bank & Trust of Minot. He replaces Roger J. P. Hansen, who passed away June 8. Mr. Hansen had been a member of the board since 1967 and chairman since January 1985.



J.J. VIHSTADT

Mr. Vihstadt, in addition to his new responsibilities, will continue as the Region V president for the Bremer Financial Corporation and president and chief executive officer of First American Bank & Trust of Minot.

Mr. Vihstadt began with the Bremer Corporation in 1973 as an assistant vice president for a Bremer Bank in Crookston, Minn.

**Dakota Bank Promotes Four**

Dakota Bank, Grand Forks, recently announced the promotion of Darlene Olson to vice president and cashier. Ms. Olson has been with the bank since it began in 1979 and has worked 12 years in the banking field, holding positions in operations and personnel. Other promotions announced were: Irene Voll, assistant vice president and investment officer, Brenda Kiefel, loan officer and assistant cashier; and Linda Troyer, assistant loan officer.





**HEADING** the Minnesota Bankers assn. for 1985-86 are, from left: Immed. Past Pres.—**Galen T. Pate**, pres., Signal Hills Bank, West St. Paul; Treas.—**Scott Jones**, pres., Goodhue County Natl., Red Wing; Pres.—**Clinton D. Kurtz**, pres., Citizens State, Norwood; Exec. V.P.—**Truman L. Jeffers**, Minneapolis; 1st V.P.—**Roy W. Terwilliger**, pres., Suburban Natl., Eden Prairie, and 2nd V.P.—**James R. Jorstad**, pres., Citizens State Bank, Hayfield.

## Clint Kurtz Becomes MBA President

By **BEN HALLER, JR.**  
Publisher

**T**HE ROLES of marketing and salesmanship in the future of commercial banks were the central theme of the first two speakers at the Minnesota Bankers Association's 95th annual convention held last month in Minneapolis. The other two general session guest speakers discussed the economic climate and the attitudes of bankers that will bear heavily on who will be survivors in the banking world of the next several decades.

In between these four speakers, the MBA intermingled its election of 1985-86 officers, other association business and 12 special interest sessions, each of which was presented twice.

Delegates approved 14 proposed resolutions. At the federal level, they called for "a long-term fiscal plan that assures gradual reduction and eventual elimination of federal budget deficits"; support for "a constitutional amendment to require a balanced budget"; federal legislation closing the non-bank bank loophole; opposition to FDIC's intent to disclose as of January 1, 1986, any "statutory enforcement action against insured state non-member banks" when national and state member banks are not included; careful study by MBA members of the proposed federal tax reform; support for continued independence of the Federal Reserve System; reinstatement of "the 1.8 percent tax credit for loan loss reserves."

Another resolution called for MBA to "renew its commitment to

Minnesota's family farms," commended MBA members for continuing to work with farm customers, and supported the work of the MBA Ag Task Force. One resolution urged taxation of credit unions so they "contribute their fair share to the revenue needs of state and federal government. Periodic review of the MBA Strategic Plan was urged.

During the business session each registrant received a special 8-page brochure titled "The Minnesota Bankers Association: By Bankers, For Bankers." It offers a review of MBA goals, a review of the year in brief by retiring MBA President Galen T. Pate, a briefing of MBA services, and a look at "MBA's Future...Unity, Growth and Change."

**John Barlow**, president of Market Trends, Inc., Minneapolis, discussed "Consumer Banking — '85," which was a report to the membership on a special market study completed by his firm for the MBA. Each delegate received a 12-page report on the study in a special booklet titled, "Consumer Banking '85 — A Profile of the Minnesota Consumer Financial Services Market."

The telephone survey of 716 Minnesota residents completed for the MBA Communications Committee measured the effect of deregulatory change on Minnesotans attitudes toward banks, other depositories, new market entrants, and the array of new products and services now available.

Mr. Barlow said the survey paints "Minnesota banking as strong, highly respected and dominating all Minnesota market segments." The

12-page summary report has been mailed to each MBA member bank, and detailed findings and conclusions may be obtained from MBA headquarters.

Among the myriad findings were these:

- Nearly 50% of Minnesota 4.1 million people live in the seven-county metropolitan area of Minneapolis-St. Paul.

- The fastest growing areas, however, are rural counties.

- Less than 8% of the 4.1 million list themselves as farmers, while 34% list themselves as managerial or professional.

- Of those interviewed, 65% in the Twin Cities named a bank as their primary financial institution; it was 66% in regional cities, and 75% in rural markets. Also, banks enjoy a dominant market share in every age and income groups.

- The median length of relationship between a consumer and all types of financial institutions is over 10 years; however, the typical relationship with a Minnesota bank is 17.5 years.

Mr. Barlow reviewed various issues developed by the survey, including market share for banks of various products and services, how safety of funds is viewed, the perception that banks are high-priced, convenience of location and services, recognizing the competition, and communicating effectively with consumers.

**Dr. Leonard Berry**, professor of marketing at Texas A&M University in College Station, Tex., gave an excellent talk on the need for "Building a Sales Culture" in banks of every size. He pointed to the increasing numbers of non-banking institutions — all of them sales-oriented giants — who are competing with banks in most communities as one reason for developing a sales strategy in banks. Additionally, the array of new products and services, the increasing selectivity by customers and their greater level of sophistication, he said, require distinct selling techniques by banks to hold present business, increase it, or get new business.

Dr. Berry then gave a summary of a study he and his associates made among 10 major banks noted for their sales success. Those banks, he stated, were customer oriented, had a pervasive selling attitude, a sense





LEFT—Representing Marquette Bank at their booth were, left to right: **Marlin Rothe, Doris Grady, Mike Hay, Michele Le Cuyer and Sandy Hagaman.** RIGHT—**Steve Brekke**, sales repr. of Brandt office in Wayzata, greeted bankers at Brandt exhibit.

of "team," institutional pride, visible management commitment and faith in employees.

Dr. Berry also was invited to be the first day luncheon speaker. He offered 10 "tidbits" and discussed each of them briefly:

1. Electronic banking makes the human factor *more* important, not *less* important. Use face-to-face opportunities to their fullest advantage.

2. Deregulation makes the human factor *more* important. Prices and products can vary, but people make the difference.

3. Most banks are organized wrong; therefore, it's hard to do business with them. Banks use new strategies but old structures. Decide on strategy, and kind of bank to be, *then* decide how to achieve that.

4. Marketing to keep and improve existing customer relationships is a vital part of marketing strategy. Too often, there is too much emphasis on attracting new customers and ignoring present ones.

5. Most banks today are better at customer marketing and not client marketing. Customers are nameless or statistics; clients are individually served.

6. There is no easy path to relationship banking.

7. The best managed banks will be

both high-tech *and* high-touch; i.e., high-tech for routine, high-touch when personal contact makes the difference.

8. There are fewer & fewer savers in America, and more and more investors. Savers store their money. Investors use their money to make more money.

9. Innovation doesn't just happen, you have to try it, and work at it.

10. The best bank marketers are *not* those who are exceptionally clever at marketing. The best are ones who are exceptionally clever at getting everyone else in the bank into marketing.

**Gary H. Stern**, president, Federal Reserve Bank of Minneapolis, in his economic outlook, said: 1. Expect and plan on modest inflation here and abroad in the next few years. 2. Expect and plan for increased competition here and abroad. 3. Expect growth in the economy to remain at a peak of 3.5% for the next several years.

**Willis Alexander**, chairman, Trenton Trust Co. of Trenton, Mo., who retired earlier this year as ABA executive vice president, discussed "Getting from Here to There," referring to how to be a survivor bank from today's changing environment. "Those who emerge from a period of

trauma," he stated, "are stronger and more competent."

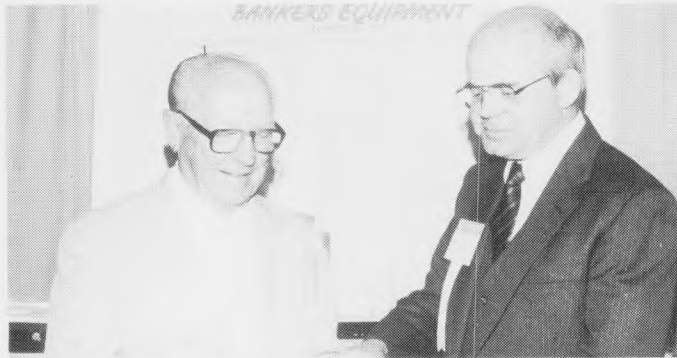
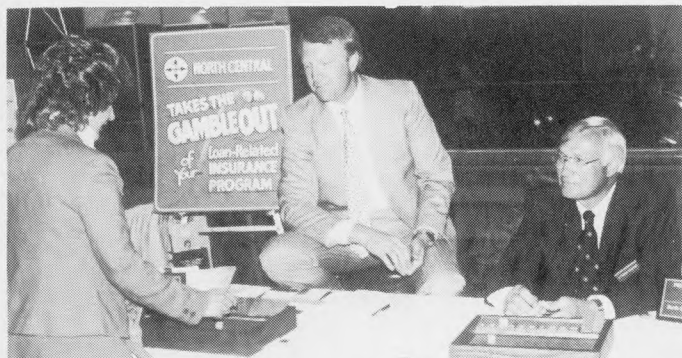
After reviewing the conditions in today's changing banking environment, Mr. Alexander said: "I think I should be candid. I don't think we're *all* going to make it. I hope you respond, 'The hell I won't!'"

**Truman Jeffers**, MBA executive vice president looked at the issues in banking today and, despite their complexity and hazards, said "I'm an optimist!" He cited the ability of MBA bankers to respond, cope and plan to overcome the hazards of change and position themselves as winners in tomorrow's race.

The special interest sessions were right on target with today's banking issues for every one of them had standing room only.

The first night's entertainment consisted of royal hospitality for all delegates offered by American National Bank of St. Paul, First Bank Minneapolis and First Bank St. Paul, Marquette Bank Minneapolis, and Norwest Corporation.

The second night was the annual banquet and installation of officers. Featured entertainment included the Castle Family, followed by Tammy Wynette and her country music troupe who gave a superb performance. □



LEFT—Representatives of North Central Life Co., St. Paul at their exhibit were **Ron Peterson** (left), reg. mgr., and **H. Parker Rinehart**, a.v.p. RIGHT—**H.W. Reiter**, pres., Natl. Bk. of Canby is shown visiting with **Bill Jackson**, pres. of Bankers Equipment Service, Inc., Burnsville.



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60	7.35				
90	7.40				
120	7.45	91 DAY		7.00	
150	7.50	6 MO MMC		7.39	
180	7.55	1 1/2 YR		8.80	
270	7.65	MONEY		5.60	
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**LEFT**—Stan Jensen (center), v.p., Security State, Albert Lea, was welcomed at Marquette Bank Minneapolis reception by, from left: **Perry Larsen**, In. serv. off.; **Dick Holmes** and **Larry Kraayenbrink**, a.v.p.s, and **Bill Klein**, v.p. and head of corr. bk. dept. **RIGHT**—Receiving guests at American Natl. of St. Paul party were, from left: **Jim Russell**, v.p., and **Kay**; **Kathy** and **Joe Kingman**, pres., and **Ev** and **Don Lindeman**, a.v.p.



**LEFT**—At First Banks opening night party were, from left: **Burdette Solum**, pres. So. Dak. Bkrs. Assn. and dist. pres., Norwest South Dakota, Watertown, and his wife, **Phyllis**; **Milt Schwartz**, SDBA exec. dir.; **Patti** and **Ken Wales**, sr. v.p., First Bank Minneapolis, and **Doris** and **John Haerter**, SDBA immed. past pres. and pres., Farmers State, Hosmer. **RIGHT**—**Clint Kurtz**, new MBA pres. and pres., Citizens State, Norwood, receives a painting presented for his bank's 40 years of relationship with Norwest Bank Midland by host **Stan Peterson**, v.p. of Norwest Midland.

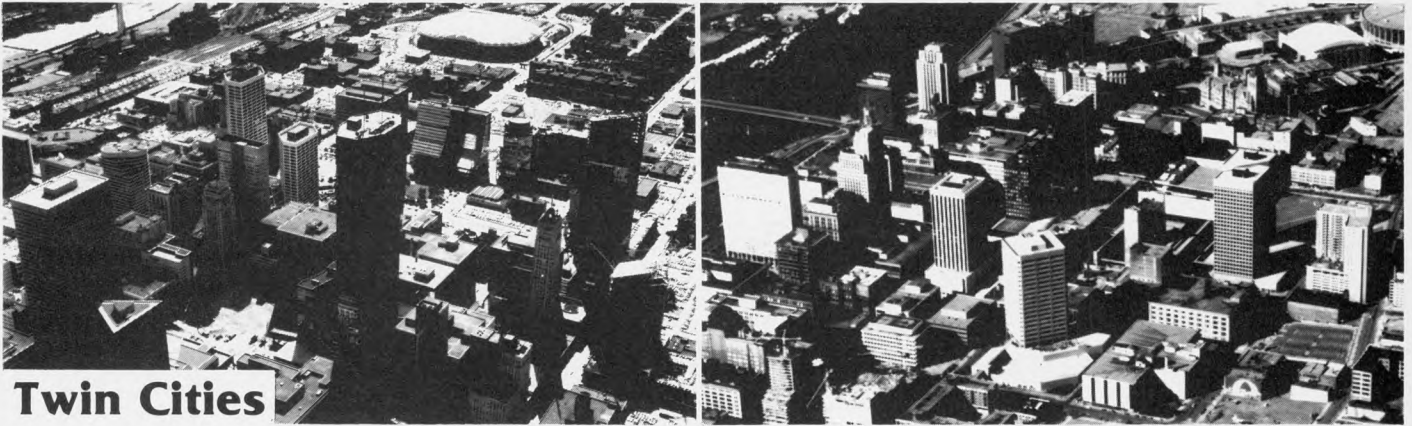


**LEFT**—MBA Pres. **Galen T. Pate** (left); **Mark Olson**, nominee for pres-elect of ABA at Natl. convention next October in New Orleans and pres., Security State, Fergus Falls; **Willis Alexander**, Wash., D.C., who retired earlier this year as ABA exec. v.p., and MBA Exec. V.P. **Truman Jeffers**, Minneapolis. **RIGHT**—**Dr. Leonard Berry**, prof. of mktg., Texas A&M U. of College Station, Tex.; **Wayne Berthlaume**, MBA admin. v.p., and **John Barlow**, pres., Market Trends, Inc., Minneapolis. Dr. Berry and Mr. Barlow addressed the opening general session.



**LEFT**—Greeting guests at Norwest's reception were, left to right: **Darin Narayana**, sr. v.p., Norwest Corp.; **Lloyd Johnson**, pres. & CEO, Norwest Corp.; **James Armstrong**, chmn. & CEO, Norwest Bank Minneapolis; **Peter Gillette**, vice chmn., Norwest Corp., and **James Campbell**, pres., Norwest Bank Minneapolis. **RIGHT**—**Joan** and **Bill Logan**, pres., Iowa Bankers Assn., are pictured with Fellowship Breakfast speaker **Vonda K. Van Dyke**, Minneapolis, and Bkst. chmn. **Lloyd W. Simms**, comm. bkg. off., Norwest Bank Minneapolis.





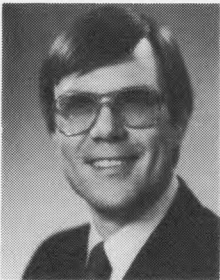
**Twin Cities**

The board of Norwest Bank St. Paul, N.A. recently announced the election of the following employees.

**Douglas M. Bach** was elected vice president. Mr. Bach joined Norwest Bank Metro-West in 1982 and is presently located at Norwest Bank St. Paul, N.A. where he serves as vice president of commercial real estate.

**Fred P. Mann** was elected vice president. Mr. Mann joined Norwest Bank Midland in 1978 and is presently located at Norwest Bank St. Paul, N.A. where he serves as vice president of the special assets division.

**Pierre L. Menard** was elected as-



**D.M. BACH**



**F.P. MANN**



**P.L. MENARD**



**H.J. BURES**



**M. SAMILO**



**A.H. BRUNDELL**

stant vice president. Mr. Menard joined Norwest Bank St. Paul, N.A. in 1985 and presently serves in the special assets division.

**Helen J. Bures** was elected credit officer. Ms. Bures joined Norwest Bank St. Paul, N.A. in 1976 and presently works in the commercial banking department as a credit analyst.

**Myron Samilo** was elected commercial banking officer. Mr. Samilo joined the bank in 1981 and is presently in the special asset division.

**Amy H. Brundell** was elected banking officer for the Norwest Bank St. Paul's Arden Hills office. Ms. Brundell previously was teller supervisor at Norwest Bank St. Cloud.

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Marquette Bank Minneapolis has named **Dennis F. Maetzold** vice president and manager of the Marquette Bank Minneapolis Edina office.

Previously, Mr. Maetzold had served as vice president and manager of the executive and professional banking department of American National Bank in St. Paul. Before joining American National Bank, he had been associated for 14 years with First Bank System, in a number of positions, including vice president and manager of the First Bank Minneapolis Executive and Professional Banking Center and senior vice president of First Bank Southdale.

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**David F. Lenz** has joined First Bank Minneapolis as a vice presi-

dent in the international banking/ Americas & Latin America division.

Mr. Lenz had previously been with Continental Illinois Bank, Chicago, as vice president. He earned his BA degree in Spanish from the University of Wisconsin, Milwaukee.

\*\*\*

First Bank Grand, St. Paul, recently elected **Vince T. Lucas** to the position of assistant vice president-commercial lending and **Janet M. Schendel** to the position of commercial loan officer.

Mr. Lucas joins First Bank Grand with eleven years of prior banking experience. He has most recently served as vice president of the First National Bank of Wayzata. Prior to that, he served as assistant vice president for the Northwestern Bank of Bloomington.

Ms. Schendel began her career with First Bank System, Inc., in 1984 as a credit officer of F.B.S. Business Finance Corporation. She joins First Bank Grand with seven years experience as operations manager, credit analyst and marketing analyst for various leasing companies.

\*\*\*

**Kathy Swinehart** has been elected commercial banking officer by the board of Norwest Bank Midland, N.A., Minneapolis.

Ms. Swinehart began her career with the bank in 1972, holding positions in the mortgage and correspondent banking departments. She was promoted to administrative assistant to the president and CEO in



**D.F. MAETZOLD**



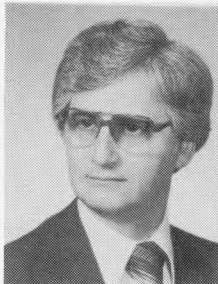
**J. SCHENDEL**



October, 1972 and joined the credit department as a trainee in 1982. In 1984, she was promoted to manager of the government center office.

\* \* \*

Norwest Bank Minneapolis announced recently the election of **Gerald L. Heyen** to senior vice president; **Richard P. Ferris** to vice president, cash management, and **Scott M. Peterson** to vice president, cash management.



G.L. HEYEN

Mr. Heyen has served as vice president and manager of payment operations since 1983. He has held a variety of management positions in the operations area since joining the bank in 1971. Prior to joining Norwest Bank Minneapolis, Mr. Heyen was with Norwest's Center Bank in Omaha, Neb.

Mr. Ferris had most recently been assistant vice president and manager of cash management sales since 1984. He joined Norwest Bank Minneapolis in 1982 as assistant vice president in the national accounts department. He has also served as assistant vice president with First Southdale Edina and First Bank Aberdeen.

Mr. Peterson had most recently been assistant vice president and manager of cash management product development since 1984. Mr. Peterson joined the bank as assistant vice president and manager of cash management sales in 1983. He has served as manager of cash and banking for Fingerhut Corporation and held a variety of positions with First Bank Minneapolis.

\* \* \*

**Nancy Johnson**, manager of product management and assistant vice president for the cash management division of First Bank Minneapolis and First Bank St. Paul, has been elected 1985/86 chair of the Banklink Users Group.

The group includes members from 67 U.S. banks and 11 foreign banks that license Banklink software, the largest automated information reporting network. Members meet annually with the vendor, Pronto Link, to share information about the soft-

ware and discuss new reporting capabilities and enhancement ideas. Pronto Link is the subsidiary of the New York corporation that manages the Banklink network.

\* \* \*

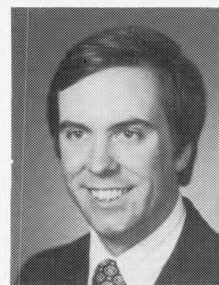
Norwest Corporation, Minneapolis, has announced the appointment of **K. David Elgena** as senior vice president and manager of Norwest Card Services.

Mr. Elgena joined Norwest Des Moines in 1973 as a personal banker. He later served as assistant branch manager of the Douglas office and managing officer of the Euclid office in Des Moines. Prior to joining Norwest, he was assistant cashier with the Delaware National Bank. Most recently, he was operating manager for the card services division.

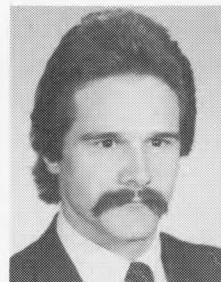
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**James H. Hearon, III**, chairman and CEO, National City Bank of Minneapolis, has announced the following changes in the bank's official staff.

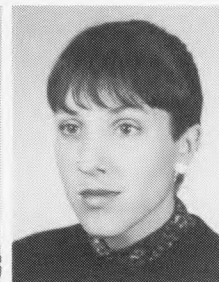
**W. Randall Payant**, vice president of Group W has been transferred to the bank's in-



W.R. PAYANT



J.A. REED



K.A. FIX

vestment department where he will be responsible for the management of the money market division and assist in asset/liability management and portfolio administration.

Replacing Mr. Payant as head of Group W will be **Jeffrey A. Reed**, assistant vice president. Mr. Reed has been reporting to Mr. Payant and will now report to **John F. Crinklaw**, executive vice president.

**Kathleen A. Fix**, international banking officer, was appointed manager of Group I, the bank's international banking department.

\* \* \*

First Bank System, Minneapolis, has announced the appointment of three new officers: **Diane L. Thormodsgard** as senior vice president of finance and planning for First Bank System's regional division, **J. Joseph Lindsley** as executive vice president of regional banking and **Sanford A. Belden** as senior vice president of agricultural banking.

Ms. Thormodsgard has most recently served as senior vice president of operations for the company's financial services division. She began her career with First Bank System in 1978 when she joined the company's leasing and mortgage bank subsidiary as assistant treasurer and controller.



D.L. THORMODSGARD

Mr. Lindsley has most recently served as president of First Bank Billings, Mont., a position he has held since 1983. He began his banking career in 1965 at the United Bank of Denver.

Mr. Belden has most recently served as chief executive officer of Farm Credit Services for north central Michigan. He began his career in agricultural business in 1972 as a vice president of Farm Credit Banks of Springfield, Mass.

\* \* \*

Norwest Bank Minneapolis, N.A. and Maryland National Bank have announced the signing of a preliminary agreement for the purchase by Maryland National of Norwest American Bank S.A. (NORAM). NORAM, a subsidiary of Norwest Bank Minneapolis, is a Luxembourg-chartered bank specializing in merchant banking, Eurodollar loan syndications and private banking. NORAM also has a representative office in London.

The sale is subject to the approval of Luxembourg and U.S. regulatory authorities and the execution of a definitive agreement. Terms of the agreement were not disclosed. As of March 31, 1985 NORAM had total assets of (U.S.) \$178 million, a loan portfolio of \$117 million and shareholders' equity of \$9.7 million.

**W. James Armstrong**, chairman of Norwest Bank Minneapolis, noted that the sale will reduce Norwest's



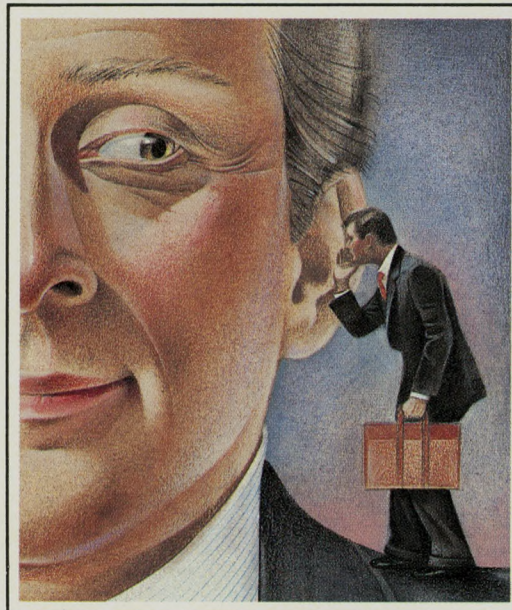
## **FIRST. THE GOOD NEWS.**

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advice from some of the Midwest's most respected specialists in areas ranging from leasing to high technology, from real estate to international and merchant banking.

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Members FDIC

Northwestern Banker, July, 1985



total international loan portfolio by approximately ten percent.

\* \* \*

Three upper midwest insurance agencies have been acquired by FBS Insurance, the insurance brokerage subsidiary of First Bank System, Inc. (FBS). Transcontinental Brokers in Minneapolis, Professional Insurance People in Butte, Mont. and the John C. Boe Company in Grand Forks, N. Dak. all joined FBS Insurance on June 1.

Transcontinental Brokers, Minneapolis, will be consolidated with First Insurance Valley View, the company's agency in Bloomington, within 90 days of the acquisition. Founded in 1980, Transcontinental wrote \$3.9 million in premium and had annual revenues of \$660,000 in 1984.

The agency's founders and former owners, Dale V. Hadtrath and David W. Seppelt, will serve as senior account executives in the consolidated agency. Michael L. Hadtrath will also join the agency as a senior account executive. The combined office will continue to be managed locally by Charles D. Hendrickson, FBS Insurance regional vice president for the Twin Cities area.

Professional Insurance People will be consolidated with FBS Insurance Bartels Agency in Butte. John C. Boe Company will remain at its current location and will be known as First Insurance Grand Forks.

As a result of the acquisitions, FBS Insurance will have 56 agencies in Minnesota, North Dakota, South Dakota and Montana representing over \$114 million in combined premium and \$25 million in annualized revenues. Over the last 12 months, FBS Insurance has acquired 12 agencies.

\* \* \*

Norwest Corporation, Minneapolis, announced recently its intention to develop its new headquarters building in downtown Minneapolis in conjunction with Houston-based Gerald D. Hines Interests, a prominent national property developer.

The new Norwest building, on the site of the old Northwestern National Bank Building, is expected to be about 40 stories and contain approximately one million square feet.

## Duluth V.P. Appointed

First Bank Duluth has announced the appointment of Steven Schnerberger as assistant vice president-commercial loans.

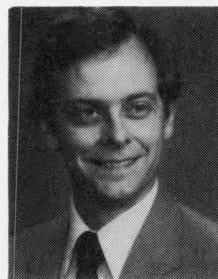
Before joining First Bank Duluth, Mr. Schnerberger had responsibility for commercial lending at First Bank Cloquet. Prior to that, he served as a credit officer in the credit review/consumer banking division at First Bank System, Minneapolis; as manager of installment lending, First Bank Blue Earth, and as an installment loan officer at First Bank Austin.



S. SCHNEBERGER

## Hopkins President Named

William G. Weiler has been appointed president and a director of Norwest Bank MetroWest, N.A., Hopkins. He succeeds William D. Wilkening, who has been elected president and chief operating officer of Norwest Bank Bloomington, N.A.



W.G. WEILER

Mr. Weiler joined Norwest MetroWest in 1980 as vice president and chief financial officer, and most recently was vice president/loan administration at Norwest Bank Bloomington.

A graduate of the University of Wisconsin, Mr. Weiler received his master's degree in business administration in 1978.

## Executive V.P. Named

Michael R. McHugh has been named executive vice president of Norwest Bank Bloomington according to William H. Queenan, chief executive officer.

Mr. McHugh began his banking career as a loan analyst at Norwest Bank Minneapolis in 1973. He then became a commercial banking representative at Norwest Minneapolis, transferring to Norwest St. Paul in 1979 in a management position. Mr. McHugh has been at Norwest Bloomington since 1981.

## Zapp Bank Promotes Officer

Zapp National Bank of St. Cloud recently named Terry Kurowski real estate mortgage lender.

Mr. Kurowski has been with the bank for two years and is a 1982 graduate of St. Cloud State University with a degree in finance.

## Promoted at Maple Grove

Directors of Norwest Bank Maple Grove, N.A., have elected Richard C. Ellefson as vice president in charge of commercial banking, Timothy A. Verbrugge as assistant vice president, and Nancy Aune as commercial banking officer.

Mr. Ellefson was vice president and senior loan officer with Marine Bank, Beaver Dam, Wis. Mr. Verbrugge, prior to joining Norwest Bank Maple Grove, N.A., in 1983 as commercial banking representative, was with Norwest Business Credit. In January of 1985, he was promoted to commercial banking officer. Ms. Aune joined the bank through the Norwest training program in 1981. Since completing the program in 1982, she has been a credit analyst.

## Benson Bank Closed; Reopened as Branch

Swift County Bank, Benson, was closed last month and taken over by First Security State Bank, Sleepy Eye, through a transfer of approximately \$37.7 million in insured deposits. First Security is taking over the failed bank's sole office as a branch.

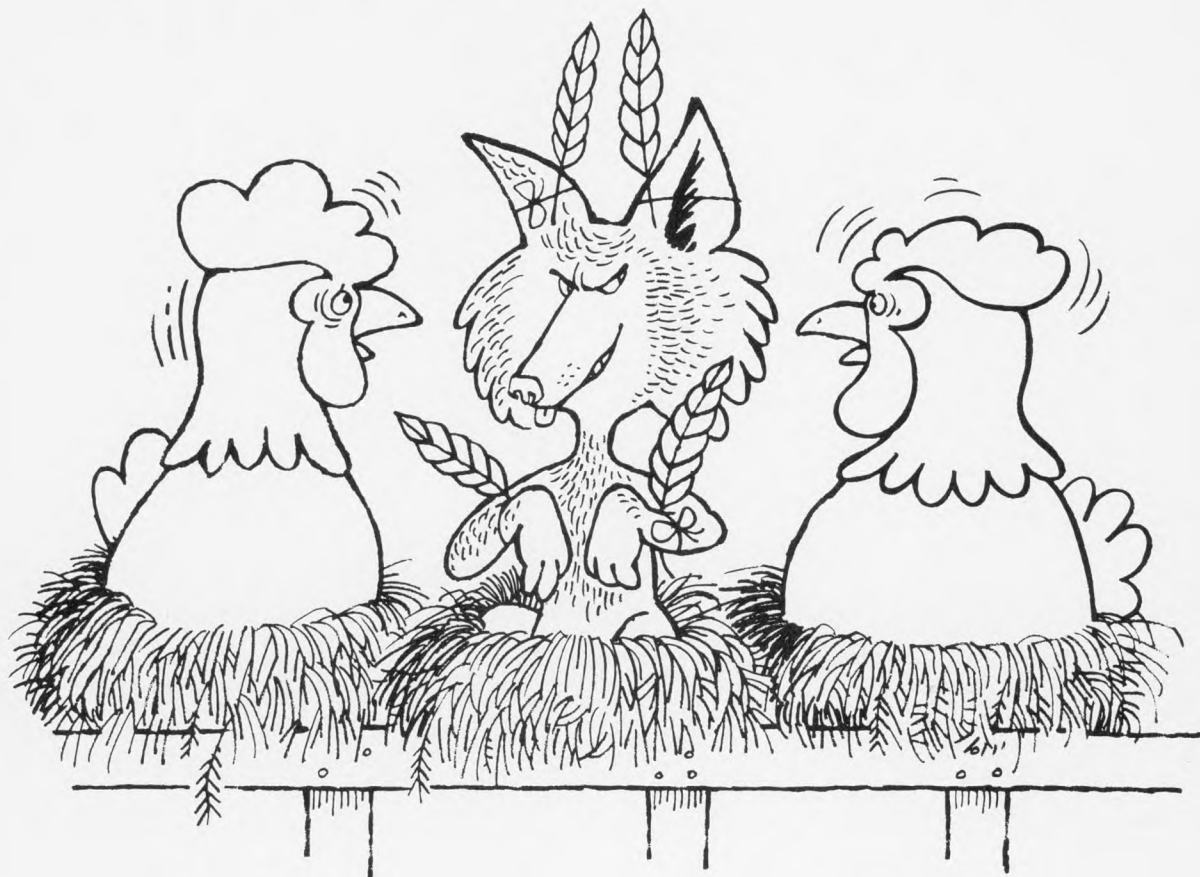
The Benson bank had about \$38.5 million in deposits and more than 8,400 depositors. First Security, Sleepy Eye, paid a premium of \$811,000 to take over the failed bank's deposits, and it may assume some of the bank's loans.

Poor quality loans and assets in relation to the poor farm economy, were attributed to the bank's failure, according to Michael Hatch, state commissioner. It is the third bank failure this year in Minnesota, according to the FDIC.

## Conversion to N.A. Told

The office of the Comptroller of the Currency has recently announced the following conversions from state to national banks: First Security State Bank, St. Paul, to First Bank Security, N.A.; First Grand Avenue





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## ***At home on the range.***

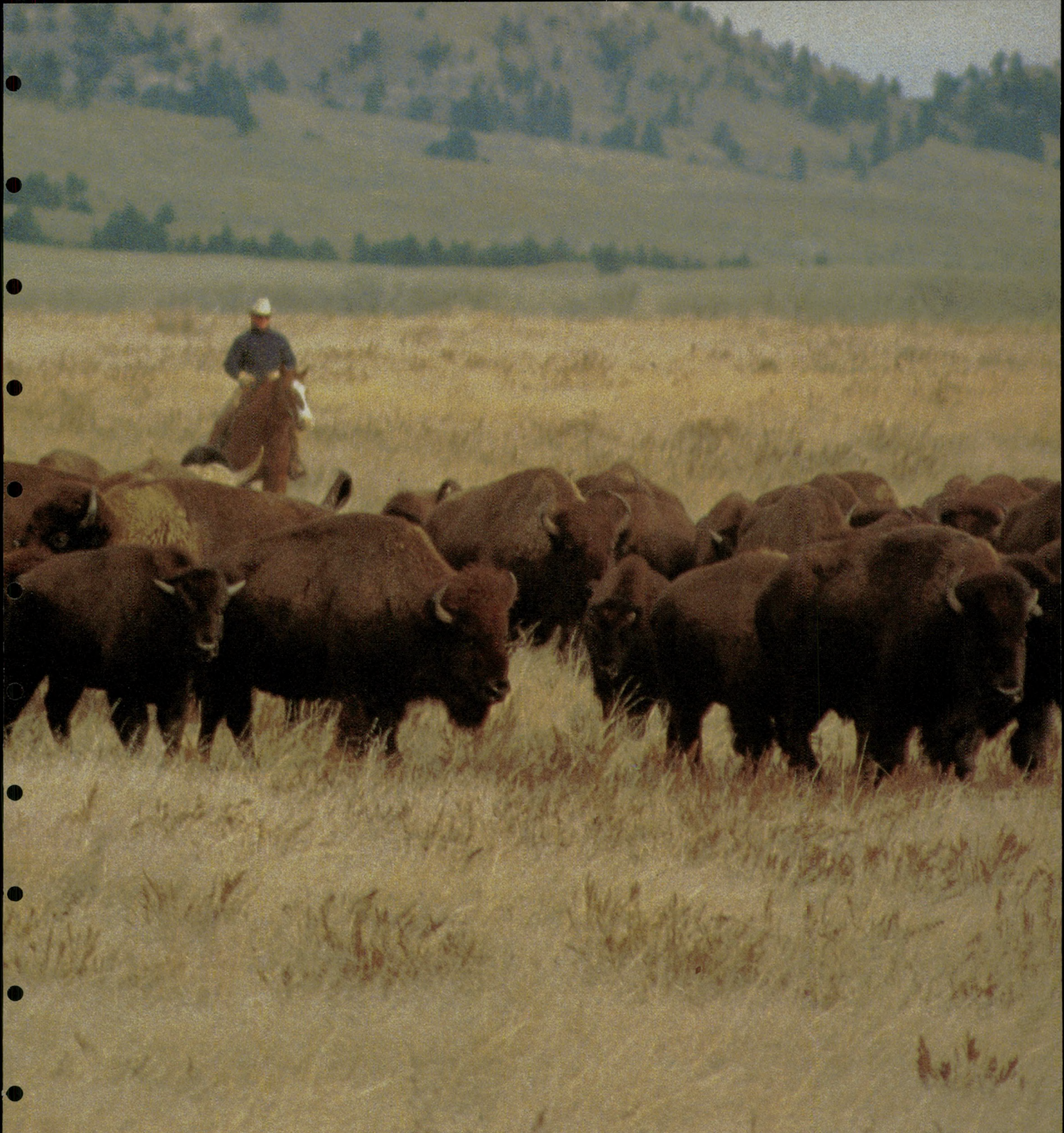
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swap, and safekeeping services for more than 50 years. Over those years, we've earned a reputation for staying on top of the markets and giving banks the information and advice they need to make the best investment decisions.

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State Bank, St. Paul, to First Bank Grand, N.A.; First Bank East, St. Paul, to First Bank East, N.A.; First State Bank of White Bear Lake to First Bank White Bear Lake, N.A.; First State Bank, Litchfield, to First Central, N.A.; First State Bank, Benson, to First Bank Benson, N.A.; First Robbinsdale State Bank, Robbinsdale, to First Bank Robbinsdale, N.A.; First Bank Southwest, Marshall, to First Bank Southwest, N.A., and First State Bank, Wheaton, to First Bank Wheaton, N.A.

### Zapp National Announces Scholarship Winner

Zapp National Bank has announced that the winner of its 1985 scholarship is Ann Elizabeth O'Neill. Miss O'Neill, a student at St. Cloud Apollo High School, will receive the \$1,000 scholarship to attend the College of St. Thomas.

The scholarship is intended to benefit St. Cloud area high school seniors who plan to pursue an education in banking/finance or business administration, according to John E. Leisen, chairman and president of Zapp National Bank, St. Cloud.

### First Trust - Lakefield Now Fulda State Bank

The FDIC has approved the transfer of insured deposits and fully secured or preferred deposits of the First Trust Bank of Lakefield to Fulda State Bank, Fulda. The failed bank's sole office has reopened as a branch of Fulda State.

First Trust was closed on May 31, at which time its deposits amounted to \$20.6 million in 3,700 deposit accounts. Of this total, \$197,000 in eleven accounts exceeded the federal insurance limit of \$100,000. Uninsured depositors and nondepositor creditors will share proportionately with the FDIC in the proceeds realized from the liquidation of the failed bank's assets. Deposits up to the limit of \$100,000 will be immediately available to their owners. Checks drawn on the bank's accounts will continue to be honored.

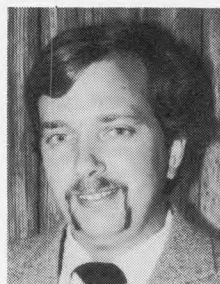
Michael Hatch, Minnesota Commissioner of Commerce, said the First Trust Bank failed because losses in loans and other assets exceeded the bank's capital and efforts

to inject new capital were unsuccessful.

### Promoted in Spring Valley

First Bank Spring Valley recently announced the promotion of Paul J. Olberding to agricultural loan officer. He began working for the bank February 16 as ag loan representative.

Before joining the bank, Mr. Olberding was a county extension agent with the Fillmore County Agricultural Extension Service of Preston.



P.J. OLBERDING

### Belle Plaine Addition Told

Martin Grotberg has joined the staff of the State Bank of Belle Plaine as a loan officer. He comes to the bank with more than five years experience as a loan officer at the State Bank of Morgan.

### First Federal, Minnesota Federal Announce Merger

The board of directors of Minnesota Federal and First Federal jointly announced last month they have agreed in principle to a plan that would merge the two associations into a resulting association that would have more than \$3 billion in assets. The projected merger of the two large savings and loan associations would result in an association that would be the second largest in the state of Minnesota.

At the end of 1984, First Federal reported \$1.7 billion in assets and Minnesota Federal had \$1.3 billion.

The plan now goes to the Federal Home Loan Bank of Des Moines in the form of a merger application. Further consideration of regulatory approval is expected by the Federal Home Loan Bank Board in Washington, as well as other Federal Government organizations. If approved, implementation of the plan is expected by January 1, 1986.

### Thomas D. Baurle Joins Dougherty, Dawkins Firm

Dougherty, Dawkins, Strand & Yost, Inc., a Minneapolis-based in-

vestment banking firm, has named Thomas D. Baurle as vice president and director of the newly-formed Dougherty, Dawkins Government Securities, Inc.

Mr. Baurle was previously with Dain Bosworth, where he traded in government securities, specializing in mortgage-backed securities. He received a B.A. in economics from the University of Minnesota.

Dougherty, Dawkins Government Securities will trade in taxable securities, such as U.S. Treasury notes and bills and mortgage-backed instruments.

### Chase Service Reviews New Federal Regulations

The *Chase Regulatory Review*, a monthly publication of the Chase Manhattan Bank, New York, features concise, readable summaries of federal regulations affecting banks.

The *Review* covers actions of federal agencies regulating banks and financial institutions, as well as actions of other agencies that would affect banks, for a \$325 annual subscription fee.

According to David T. Wittman, Chase vice president, corporate compliance, there were over 500 incidences in 1984 of new regulations or changes in existing ones.

### Roberts Elected Chairman Assn. of Bank Holding Cos.

Kenneth L. Roberts, chairman, First American Corporation, Nashville, was elected chairman of the Association of Bank Holding Companies during the Association's recent 27th annual meeting at the Hyatt Regency Hotel in Minneapolis. Mr. Roberts succeeds John W. Woods, chairman, AmSouth Bancorporation, Birmingham, Ala.

The Association consists of 180 bank holding companies registered with the Federal Reserve Board pursuant to the Bank Holding Company Act. The member companies have over 1,700 subsidiary banks and more than \$1.5 trillion in assets, or about 70 percent of the country's banking assets.

The annual meeting was hosted by the three Association member companies in Minneapolis, which are First Bank System, Inc., National City Bancorporation and Norwest Corporation.





**WBA** officers for 1985-86 are, front, Pres.-Elect—**Richard J. Roesler**, pres., First Natl., Platteville; Past-Pres.—**John W. Johnson**, pres., Bank of Spring Green; back, Pres.—**Dean A. Treptow**, pres., The Brown Deer Bank, and Treas.—**Richard P. Klug**, c.e.o., F&M Bank, Menomonee Falls. Not pictured, Exec. Dir., Bryan K. Koontz.

## Freedom Promoted at WBA Convention

By **ROBERT O. CRONIN**  
Associate Publisher

**W**HEN WBA Pres. **John W. Johnson**, president, Bank of Spring Green, called the annual Wisconsin Bankers Association Convention to order, he told those in attendance, "this year's theme, 'Freedom—To Choose, To Compete, To Survive,' is special." Mr. Johnson hoped that each one there would leave feeling better about their country. "My goal is to have each one of you leave the convention with a lump in your throat," said Mr. Johnson.

Mr. Johnson's desire came true, as the WBA Convention was as patriotic as it was educational and entertaining. Held in Milwaukee June 16-19, the convention was designed to promote freedom in "the challeng-

ing and competitive environment of the financial services industry," said Mr. Johnson. Along with top notch entertainment and programming, nationally recognized speakers filled every business session.

After a Star Spangled Salute to Freedom, the first speaker was introduced. Scheduled to speak was Sam Donaldson, Chief Whitehouse Correspondent, but he was unable to attend due to the highjacking in Beirut. Speaking in his place was Carl T. Rowan, columnist for *The Washington Post*. Mr. Rowan gave "His Views from Washington," which included banking in Wisconsin to world politics. "Freedom—we take so much for granted, until we see what's going on in other parts of the world," he said, "freedom is expensive."

"The reports of my death are

greatly exaggerated." This famous line from Mark Twain was what Alex Sheshunoff, Sheshunoff & Associates, Inc., Austin, Tex., used to compare the problems in banking to. "This attitude that the banking problem is worse than it is comes from a quick-to-respond attitude," Mr. Sheshunoff said. Bankers were cautioned by Mr. Sheshunoff. "The big banks in California are not the winners—one of the greatest assets is your name," as he pointed out the pros and cons of interstate banking. "For the future," he said, using a quote from Darwin, "is not dependent upon our ability to survive, but our ability to adapt to change."

Following a luncheon, featuring WBA Executive Director Bryan K. Koontz who spoke on "Evolving Banking Freedom," bankers were treated to an informative panel discussion entitled, "Freedom to Choose." This panel was made up of bankers who have recently completed mergers, and independent bankers. It was moderated by John E. Knight, WBA legal counsel, and partner, Boardman, Suhr, Curry & Field, Madison. The six panel members gave the following comments.

Leonard F. DeBaker, president, First National, Stevens Point—"We are independent and thus controlling our own destiny."

W.J. Morrissey, president, Marine Bank, Elkhorn—"A merger is well worth the effort to get a stronger bank."

Robert C. O'Malley, chairman and president, United Bank, Madison—"To merge is the exchanging of ideas among people — expanding training and learning."

Richard D. Pauls, chairman, First Interstate Wisconsin, Sheboygan—"Franchising has a spirit of independence, allowing us to be distinctive,



**LEFT**—Representing First Wisconsin, Milwaukee are, **Jack Hendee**, pres., and **Phyllis**; **Roger Fitzsimonds**, exec. v.p., and **Lee**, with **Don Kramp**, 1st v.p., head, corr. div. **RIGHT**—**Bob Koch**, v.p., corr. div., and **Sandra**, with **Bev** and **Harv Keller**, v.p.





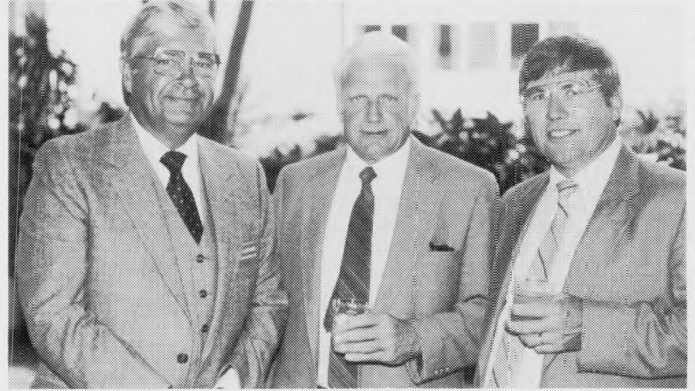
set apart from hundreds of other banks."

H. Lee Swanson, executive vice president, State Bank of Cross Plains—"We feel we're not missing the train — those opportunities will still be available. Well managed banks are the ones that will survive."

Bryant E. Wackman, president, Brooklyn State—"Merge because you need someone to share ideas with, to cry with and share in the same problems."

A special agricultural situation session was held for bankers featuring Alan R. Tubbs, chairman, ABA Agricultural Bankers Division and president of First National State, DeWitt, Ia. Mr. Tubbs pointed out that Wisconsin is a more diversified state in comparison to Iowa, which depends upon the export market much more. "Iowa still has further to fall since the average price per acre in Iowa is \$1,378 compared to Wisconsin's \$725 informed Mr. Tubbs.

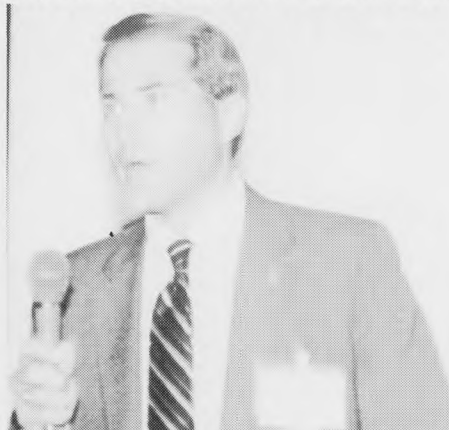
A "Gala Celebration" was held to highlight this year's convention. It featured a prime rib dinner followed by entertainment from "The Arbors." Introduction of 50-year club members took place also, including one 60 year member, W.G. Aschenbrenner, honorary director, M&I Bank, Racine. Also, a dance and show featuring Gloria Loring, star of the soap opera "Days of our Lives," was held. The Jerry Blake Orchestra performed for listening and dancing pleasure.



LEFT—Representing Continental Illinois are **Don Lange**, 2nd v.p., corr. div., and **Carole**, with **Joan and Ed Murphy**, v.p. RIGHT—**Arne Bungegaard**, reg. mgr., with **Norm Ahles**, reg. v.p., and **Jim Deprey**, reg. mgr., all with North Central Life Ins. Co.

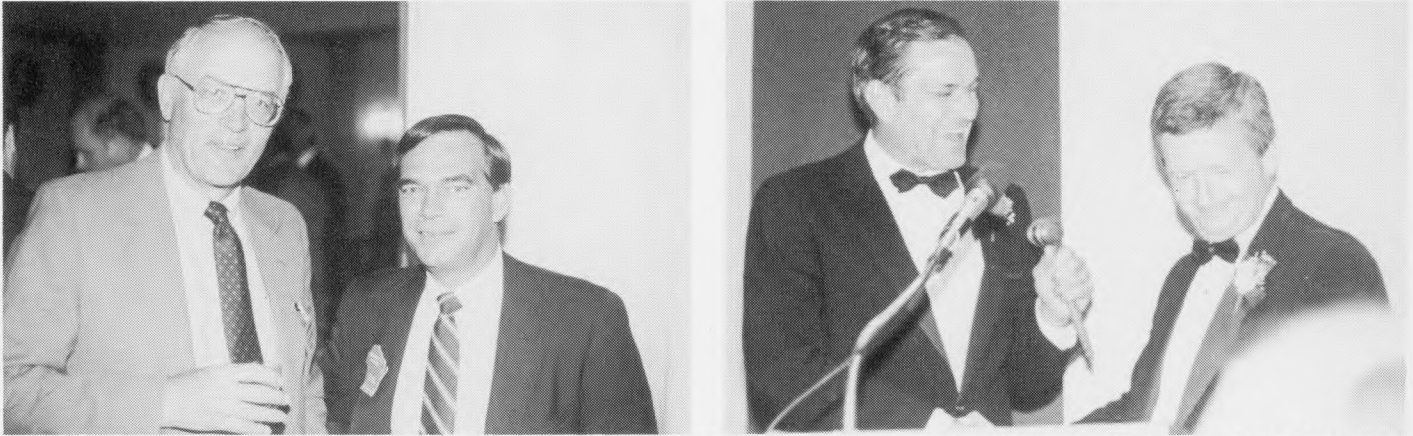


LEFT—**Mike Bodeen**, a.v.p., Norwest Bank, Mpls.; **Judy Rothschilder**, fin. serv. and mktg. serv., Norwest Leasing, with **Warren B. Oskey**, pres., Hiawatha Natl., Hager, and First Natl., Glenwood, and his wife **Beth**, chmn., Hiawatha Natl. and First Natl. RIGHT—**Thomas Dunlap**, acct. exec., HBE Bank Facilities, St. Louis, shares some ideas with **Daniel and Rita Netwal**.



EXCEPTIONAL speakers played a big part in the convention's success. From left to right are, **Howard K. Smith**, Broadcaster and Journalist; **Alan R. Tubbs**, pres., First Central St., DeWitt, Ia., and chmn., Agri. div., ABA, and **Alex Sheshunoff**, founder, Sheshunoff & Company, Inc., Austin, Tex.





LEFT—Larry Bender, sr. v.p., Security St., Minocqua, and member of exec. council, with Brian K. Koontz, WBA exec. dir. RIGHT—WBA Pres. Dean A. Treptow accepts gavel from Past Pres. Jack W. Johnson during banquet ceremonies.

The following day's general session began with the singing of the National Anthem. Dr. John G. Stoessinger, political analyst and prize winning author, Trinity University, San Antonio, Tex., spoke on his political views and world policies. "We cannot ignore the events of this world," he said. Mr. Stoessinger encouraged the bankers "if you don't take a stand for something, you may fall for anything. Be proud of America, where we are truly blessed."

Concluding the WBA Convention was the noted journalist, broadcaster and author, Howard K.

Smith. With his knowledge of world events, Mr. Smith told bankers, "to really discover America, you must leave it." When asked a question on banking, he replied, "like many of our leaders, bankers were not long range thinkers, they were now thinkers." Mr Smith concluded, "We should be proud to live in the luckiest country in the world."

Election of officers for the 1985-86 term were held with the following officers elected: Pres.—Dean A. Treptow, president, The Brown Deer Bank; Pres.-Elect—Richard J. Roesler, president, First National, Platteville; Treas.—Richard P.

Klug, CEO, F&M Bank, Menomonee Falls; Exec. Dir.—Bryan K. Koontz, and Past Pres.—John W. Johnson, president, Bank of Spring Green.

"Banking has served Wisconsin well over the years. In that we can have satisfaction and pride. We can continue that pride by identifying how we can best serve the changing needs of our state. With that attitude, we can find unity. The future of banking is in our heads — it's not in laws and regulations." Closing comments by WBA President, Dean A. Treptow. □

### Dodgeville Bank Closed

Strong's Bank, Dodgeville, was closed last month by Wisconsin Commissioner of Banking Richard E. Galecki and the FDIC was named receiver. According to Mr. Galecki, Strong's Bank was operating in an unsafe and unsound manner and the insolvent condition of the bank posed a threat to depositors.

The FDIC announced initially that a direct payoff of insured depositors would be undertaken because of unreliable bank records and the existence of irregular activities. As the FDIC was able to reconstruct the bank's records, it determined that the payoff of insured depositors could be accomplished by transferring the insured accounts to another institution. On June 18 the FDIC approved the transfer of deposits of the Strong's Bank to Marshall & Ilsley Corporation, Milwaukee, and the failed bank's sole office reopened Wednesday, June 19, as M&I Bank of Dodgeville.

Administration of the insured deposits transferred to the new bank will be funded by an equivalent cash

payment from the FDIC. The new bank is paying the FDIC a premium of \$1,950,000 for the right to receive the transferred deposits, and will purchase other assets of the failed bank for \$16.7 million. The failed bank had approximately \$33.4 million in deposits in 8,200 accounts.

Approximately \$1.1 million in brokered funds had been placed in Strong's Bank on behalf of credit unions, savings and loan associations and banks. All or most of these funds were placed by High Yield Management, Inc., Clifton, N.J.

The FDIC has reason to believe that the brokered money was used to fund fraudulent transactions. These transactions, and any link with the brokered funds, will be thoroughly investigated by the FDIC and other appropriate authorities. Until this investigation is completed and the FDIC is satisfied that no legal claims exist against the financial institutions supplying the brokered funds — either directly or by virtue of any actions of their agent, High Yield Management, Inc. — the FDIC is withholding any payment of the brokered deposits.

### Staff Changes in Sheboygan

First Interstate Bank of Wisconsin, Sheboygan, recently announced the promotion of John S. Williams to the position of regional vice president and the addition of Curtis J. Scheel as commercial banking officer.

Mr. Williams, formerly assistant vice president of business banking, has extended his service area into the Manitowoc/Two Rivers area, but continues to maintain business account relationships in Sheboygan County. He also coordinates First Interstate's government lending programs, including the small business administration program.

Mr. Williams joined First Interstate Bank's business banking department in 1983. Prior to that he was affiliated with the Bank of Lansing, Lansing, Mich., for six years as a commercial lending officer, credit analyst and branch manager.

Mr. Scheel serves as an account officer for assigned business relationships in the Sheboygan County area. He joined the management



## Million in Cash Displayed at Green Bay Branch



**VISITORS** to the May grand opening of the Banking House of Allouez, near Green Bay, were invited to lay their hands on \$1 million in cash. Of course, the money was sealed in a plastic display case and protected by guard dogs, metal detectors, and armed Brown County and private police officers. The million dollar cash display was more innovative than the traditional open house, said Donald F. Menefee, president and CEO of University Bank, Green Bay, of which the Banking House of Allouez is a branch. The display consisted of six panels, each seven by seven and a half feet. Each panel contained 80 packets of \$1000 in ten dollar bills, visible through plastic on both sides. The money was displayed both for a VIP celebration for bank executives and local government officials and at the public open house. A drawing was held for one day's interest on the million dollars, based on the current federal fund rate.



trainee program at First Wisconsin National Bank of Milwaukee in 1982 and worked as a commercial banking officer there prior to assuming his present position with First Interstate Bank.

### Two Acquisitions Announced

First Wisconsin Corporation, Milwaukee, has signed an agreement in principle for the acquisition of Security Financial Services, Inc., a six bank holding company headquartered in Sheboygan.

First Wisconsin Corporation has agreed to pay \$68 for each Security Financial share, for a total purchase price of approximately \$55.1 million. Under terms of the agreement, 55% of the acquisition price will involve the exchange of First Wisconsin common shares, valued at the market price at close, and the remaining 45% will be paid in cash. As part of the agreement, First Wisconsin Corporation has acquired an option to purchase an additional 250,000 unissued shares of Security Financial Services common stock.

The transaction must be approved by shareholders of Security Financial Services, Inc., and bank regulatory authorities and upon approval, it is anticipated that the affiliation will be completed in late 1985 or early 1986.

First Wisconsin Corporation has also signed an agreement in principle for the acquisition of the Cedarburg State Bank, Cedarburg, for the

purchase price of \$8,640,000 which will be accomplished through the exchange of common shares. Cedarburg State Bank shareholders will receive First Wisconsin stock valued at \$108 for each Cedarburg share owned, with the exchange ratio based upon the market value of First Wisconsin shares at close.

A definitive agreement is subject to the approval of both boards and the transaction is subject to approval by Cedarburg State Bank shareholders and bank regulatory authorities. Upon approval, it is anticipated that the affiliation will be completed by late 1985 or early 1986.

### Elkhorn Bank Has New Title

The office of the Comptroller of the Currency has recently announced a change in the corporate title of Independence Bank of Elkhorn to Marine Bank Southwest, N.A. The new title was effective June 5.

### Board Changes Announced

The board of First Wisconsin Trust Company, Milwaukee, announced recently the promotion of five officers and the election of two new officers.

Promoted to vice president was Chris A. Wise; and to assistant vice president were Mary B. Read and Paul G. Zahour. Promoted to senior trust officer were William R. Caruso and Eugene R. Lee.

Newly elected officers were

Robert J. Kern to operations officer and Jay E. Schwister to investment officer.

### Switch Provider Chosen

Internet Inc. of Reston, Virginia, the fifth largest EFT network in the United States, recently announced its selection of A.O. Smith Data Systems, Inc. as switch provider to the network. Internet represents the merger of the two major networks from the Washington, D.C. area—the former Network Exchange and MOST networks.

Internet will link the two original networks into one interchange system through the Milwaukee facilities of A.O. Smith Data Systems. Internet, through the A.O. Smith Data Systems switch, will manage the ATM operations for over 200 machines directly connected to the switch.

### Two Promoted in Appleton

Valley Bancorporation, Appleton, has recently announced the promotion of Barbara J. Beck to employee benefits administrator and the naming of Sandra L. Mader as area human resources administrator.

Mrs. Beck joined Valley Bancorporation in 1979 as a personnel assistant.

Mrs. Mader has been with Valley Bancorporation for 11 years, most recently as a loan officer with the Valley Bank of Sherwood.





**OFFICERS** of the Wyoming Bankers Assn. for 1985-86 are pictured, left to right. Seated: Immed. Past Pres.—**Robert T. Noel**, exec. v.p., Affiliated Bank Corporation, Casper; Pres.—**Hale Kreyckik**, pres. Converse County Bank, Douglas, and 1st Vice Pres.—**N. P. (Van) Van Maren, Jr.**, vice chmn., Hilltop Natl., Casper. Standing: 2nd Vice Pres.—**William H. Ruegamer**, pres., First Interstate Bank Sheridan, and Exec. V.P.—**Gretchen Tea**, Casper.

## Wyoming Name Hale Kreyckik President

By **BEN HALLER, JR.**  
Publisher

**W**YOMING bankers were advised during the 77th annual convention of the Wyoming Bankers Association at Jackson Lake Lodge, Moran, last month that to be survivors and profitable winners in the future financial services industry they must do three things:

- Know their costs, know how to price services, know how to market to diversified customer levels.

- Know how to cope with and use deregulation to their advantage.

- Know how to pull together the diverse elements of banking so they can speak to federal and state legislatures with a unified voice.

Using a revised format from the conventions of previous years, the 1985 WBA Convention began with Sunday registration, featured a Monday business session and President's Reception/Banquet, then closed with sports activities all day Tuesday and an Awards Reception.

### 1985-86 Officers

During the formal membership meeting on Monday, Hale Kreyckik, president of Converse County Bank in Douglas, was advanced to the presidency for 1985-86. He succeeds Robert T. Noel, executive vice president of Affiliated Bank Corporation,

Casper. N. P. (Van) Van Maren, Jr., vice chairman of Hilltop National Bank, Casper, moved up to become first vice president. Succeeding him as second vice president is William H. Ruegamer, president of First Interstate Bank, Sheridan. Gretchen Tea, Casper, continues as executive vice president, the post she assumed at the 1984 convention.

### Wyoming Congressman Speaks

Wyoming Congressman Richard Cheney opened the Monday general session. He said any hope for a Tax Reform Bill this session is optimistic. He expressed the hope for a cap of 100 nuclear missiles instead of the 200 authorized by former President Carter.

Congressman Cheney also said "any significant increase in federal land grazing fees will put more ranchers out of business."

### Keynote Address

Keynote speaker Douglas V. Austin, president of Douglas Austin & Associates in Toledo, Ohio, and professor of finance at the University of Toledo, discussed how bankers should "Price Deposit and Non-Deposit Sources of Funds" and how to market those funds effectively and profitably. "You can't sit back and let the bank run itself," he cautioned. "You must manage it daily."

Dr. Austin advised bankers to

take advantage of functional cost analyses to aid them in knowing costs. Area two, he said, "is understanding your bank accounts." To understand the stratification and composition of one's deposit accounts, he recommended that computerized accounts be analyzed for average and minimum balances. "Then you can start to see where your costs are," he said.

"Pricing is a way of survival in banks today," Dr. Austin observed. "Either you provide services and don't provide competitive rates, or you provide rates and less than maximum service." The use of combinations of pricing and services was discussed at length.

"If you continue to get rid of low balance accounts," Dr. Austin cautioned, "then there will develop by competition or by legislation a way to take care of them."

Dr. Austin commended the use of micro computers to aid in determining pricing locally by comparison, as well as determining national rates by various services daily on the micro. After knowing deposit costs and pricing the deposit instruments "you can figure the margin you need for loans and investments." He reminded bankers that "nothing says you have to take every deposit that comes in."

Dr. Austin closed by offering a number of ways to review costs, set prices, and market profitably the services the bank decides to offer.

### ABA President

ABA President Donald T. Senterfitt said "about all the hot air talk



**ABA Pres. Don Senterfitt** and his wife, **Natalie**, enjoyed the humor of a special gift presented to them at the annual banquet by WBA Pres. Bob Noel. They are pictured above with their gift—a genuine Wyoming "Jackalope!"



on deregulation amounts to is what we can pay for various kinds of deposits. I don't call that deregulation, but decontrol of deposits. Deregulation hasn't changed banking that much but advances in technology have made the difference in financial firms all the more irrelevant."

He said "deregulation can be summarized in two words—the customer. That customer wants the best possible product, at the best possible price, at the most convenient location, with the best possible service."

Mr. Senterfitt said "our most pervasive obstacle is the perception that the banking industry is not as sound as it once was. On balance, banking is a sound industry." He decried "the rape of deposit insurance funds through consolidation of FDIC and FSLIC and assuming all the financial problems of our competitors."

In closing, Mr. Senterfitt again

called for "a clear, unified voice in banking. All our problems can be resolved if we put aside our differences and arrive at a position we can all support."

#### Deregulation of Airlines

Jack Jackson, who heads his own firm out of Fort Worth and Oklahoma City, gave a detailed explanation of the major problems that faced Continental Airlines, his former employer for 23 years, when the airlines were deregulated. Drawing on that experience, he drew parallels of concern for bankers to consider during banking deregulation.

#### Business Meeting

During the formal business meeting, a proposal for amending the by-laws relative to election of officers was debated, further amended for more representation, and then approved. President Noel noted even with appointment of a full time WBA executive and opening of an

office in Casper, dues had not been increased.

#### Entertainment

After the President's Banquet Monday evening, guests were treated to an outstanding performance by a young group of singer/performers—Rare Moment—from Lakewood, Colo. Their enthusiasm and polished professionalism indicates they will be seen and heard from in even bigger ways in years to come.

The Monday luncheon speaker, Donny Conn, was a most entertaining humorous speaker who left the audience with big smiles and many laughs.

As noted earlier, Tuesday was devoted to the Men's Golf Tournament (Ladies' was Monday), the annual tennis tourney and fishing derby. An Awards Reception closed out the 77th annual convention. □

### Casper Bank Advances Three

First Interstate Bank of Casper recently announced the appointment of Brian K. Jones as assistant vice president in the trust department, Lester Hadrick as consumer loan officer, and Christine Weathers as credit adjustment officer in the real estate finance division.

Prior to assuming his new position, Mr. Jones had served as assistant trust officer and trust administrator.

Mr. Hadrick had previously served as a credit adjustment officer and has been employed by First Interstate Bank of Casper for two years.

Ms. Weathers has been employed by First Interstate Bank of Casper for eight years, serving in the real estate, credit and customer service areas.

### Elected in Cheyenne

Two new directors were elected at the stockholders' meeting of First Wyoming Bancorporation, Cheyenne. They are Colleen F. Gerleman and Charles H. Brown III. Ms. Gerleman is the controller of Lincoln Cooking Co., a Nebraska corporation engaged in retail sales and services. Mr. Brown is president of C.H. Brown Co., Wheatland, Wyo. and is chairman of the board of First Wyoming Bank—Wheatland.

The two succeed retiring directors

Everett Francis and Carlin Smith.

### Riverton Bank Closed

American National Bank of Riverton was closed June 11 by H. Joe Selby, Acting Comptroller of the Currency. The deposit liabilities of American National have been assumed by First Wyoming Bank, N.A.-Riverton.

The failed bank's sole office was to have reopened by June 13 as First Wyoming Bank, N.A., a newly-chartered subsidiary of First Wyoming Bancorporation, Cheyenne. First Wyoming Bank, N.A. will assume approximately \$36 million in 8,400 deposit accounts and has agreed to pay the FDIC a purchase premium of \$463,000. It will also purchase certain loans of the failed bank and other assets for \$23 million. To facilitate the transaction, the FDIC will advance \$12.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$11 million.

The appointment of Ralph D. Williams as chairman and Charles H. Krebs as president and CEO of the new First Wyoming Bank, N.A.-Riverton was also announced.

Mr. Williams is also chairman, president and CEO of First Wyoming Bank, N.A.-Lander.

Mr. Krebs has been the executive vice president of First Wyoming Bank, N.A.-Lander since April of 1984.

### Stockgrowers of Worland Observes 75 Years

The Stockgrowers State Bank of Worland celebrated its 75th anniversary May 10. The occasion was observed with a week of special events, including displays of local art and historic newspaper articles, live entertainment, refreshments and drawings for \$75 savings accounts. In honor of the event, employees dressed in 1910 style.

### CEO Named in Saratoga

At Saratoga State Bank, Saratoga, Arlette Smith has been named chief executive officer. He replaces Don May who held the position since November of 1984. Mr. Smith has most recently served as vice president and loan officer at the bank. He has been with Saratoga State Bank for 27 years.

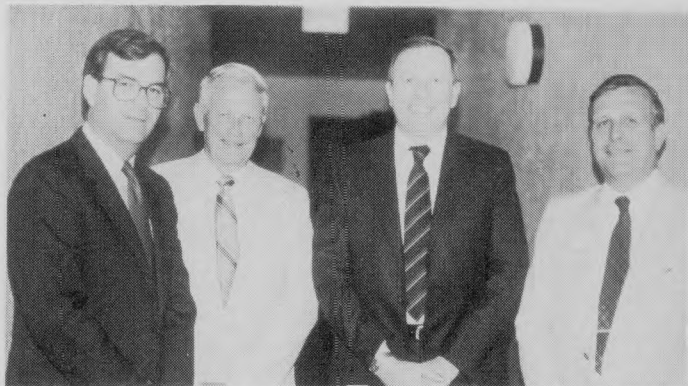
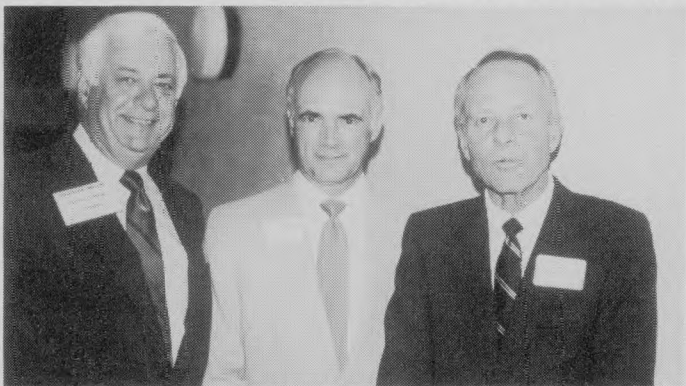
### Directors to Purchase Bank

Directors of the American National Bank of Rock Springs have reached an agreement with the American Bank Corporation to purchase the local bank. Pending approval of the Federal Reserve Bank in Kansas City, American National would become totally locally owned. According to president Daniel B. Sullivan, the bank's present name, management and directorship will remain the same.

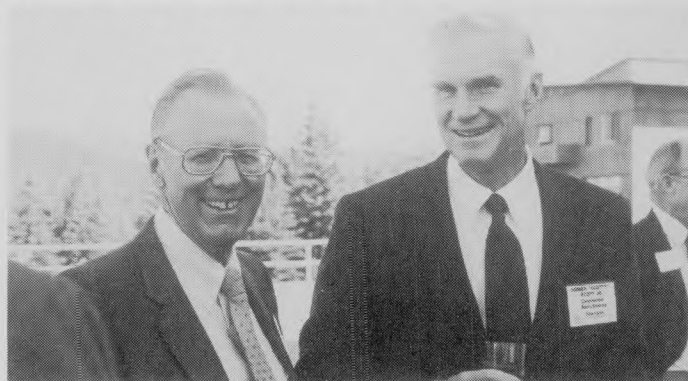




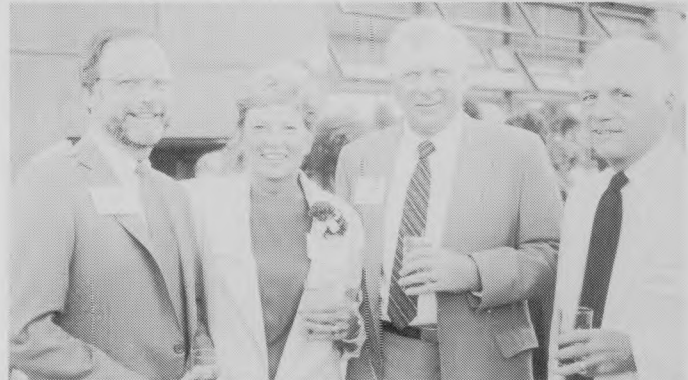
**LEFT**—Pictured at First Interstate Bank of Wyoming opening night reception and dinner are, from left: **Henry Hitch**, chmn., and his wife, **Rosalie**, with **Wanda** and **Chuck Pedersen**, pres. and CEO. The party honored Mr. Hitch on his retirement from active duty after 27 years with the bank. He had been pres. and CEO the past 10 years. The party also welcomed Mr. Pedersen, who joined First Interstate of Oregon in 1948, served 11 years with the company in Great Falls, and recently joined First Interstate Casper as pres. He became CEO July 1. **Right**—**Ralph Peterson**, v.p., 1st Natl., Omaha, Nebr., with **Virginia** and **Richard Stephens**, pres., Farmers State, Pine Bluffs.



**NORWEST** Corporation of Minneapolis and its recently franchised affiliate banks in Wyoming sponsored an opening night reception and dinner party for registrants from Norwest banks and their correspondent banks. Pictured, from left, are: **Chuck Undlin**, pres., Norwest Bank Omaha, N.A.; **Auburn Dowdy**, pres., Norwest Bank Cheyenne, N.A.; **Bob Miracle**, chmn. and pres., Norwest Casper, N.A.; **Ed Baker**, sr. v.p., Norwest Corp., Minneapolis; **Howard Nielsen**, v.p., Norwest Bank Omaha; **George Reece**, v.p., Norwest Bank Casper, and **Walter Miller**, exec. v.p., Norwest Corp., Minneapolis.



**LEFT**—**Douglas V. Austin**, convention keynote speaker; WBA Pres. **Bob Noel**, exec. v.p., Affiliated Bank Corp., Casper; and ABA Pres. **Donald T. Senterflitt**, vice chmn., Sun Banks, Orlando, Fla. **RIGHT**—**Stanley W. Hunt**, recently appointed state examiner of Wyoming banks, Cheyenne, with **Homer Scott, Jr.**, chmn., Commerce Bancshares of Wyoming, Sheridan.



**LEFT**—**John Clements**, v.p., Omaha Natl., Omaha, Nebr., with **Joan** and **Dean Bartels**, pres., 1st Natl., Worland. **RIGHT**—**Bill Tumelty**, v.p., Central Bank of Denver; **Barb** and **Jim Osbourn**, exec. v.p., Central Bank of Denver, and **Charles Brown**, chmn., Rawlins Natl.





**HEADING** the Colorado Bankers Association for 1985-86 are, left to right: Immed. Past Pres. and Chmn.—**Conrad Kern**, sr. v.p., Independent State Bank, Denver; Vice Pres.—**A.J. Tony Anderson** (on lower step), pres., Kiowa State Bank; Pres.—**Royce B. Clark**, chmn., IntraWest Bank, Greeley, and Exec. Mgr.—**Don A. Childers**, Denver.

## Colorado Bankers Elect Royce Clark As CBA President for 1985-86

By **BEN HALLER, JR.**  
Publisher

**“YOU’VE** got a problem, my friends, right here in Colorado. Yessir, you’ve got a problem, and that starts with P and that rhymes with C and that stands for Change!” With that clever parody of Professor Hill’s famous lines in Meredith Wilson’s “Music Man,” Conrad Kern highlighted his president’s address at the 84th annual convention of the Colorado Bankers Association at The Broadmoor in Colorado Springs last month. Mr. Kern used poetic license as Professor Hill to illustrate the extensive changes bankers face in Colorado as well as the rest of the nation.

Mr. Kern also emphasized some good news for CBA members. The association’s projected income was up by 49%. Also, “based on your suggestions,” Mr. Kern noted, “we held our first Executive Seminar and due to popular demand, this will be repeated.” He pointed to the success of CBA’s Project Aware, which stressed three major points: 1. A strong and growing capital base for Colorado banks. 2. A strong and committed executive management of banks. 3. The strong community involvement of banks. “I strongly suspect Ohio and Maryland could use some of our p.r.,” he said.

### Project Consensus

Mr. Kern also explained Project Consensus undertaken in recent

months to provide a forum for all CBA members to discuss the controversial issues of bank structure and bank products. A 14-banker Task Force, made up of seven independent bankers and seven bankers affiliated with holding companies, representing diverse sizes of banks and diverse economic and competitive clients, make up the Task Force. It is chaired by Dr. Doris Drury, chairman of the Kansas City Federal Reserve Bank.

As Mr. Kern stated in his president’s address, the Task Force delivered its report at the concluding session of the meeting. To offer every bank an opportunity to consider the findings of the Task Force in its totality, CBA has scheduled 10 regional meetings for July 9, 10, 11, 16 and 17 at 10 locations. Two teams of Task Force members and CBA officers will take part in the presentations. Following those meetings, the CBA will have a special meeting on August 1 and 2 which all CEOs have been urgently requested to attend. It will be the purpose of the special meeting to obtain a consensus position for CBA guidance on bank structure and bank products in the future.

### Task Force Report

The Task Force said at the annual convention it is seeking comment on enacting legislation that would:

- Open the door for all banks to offer a wider variety of products and

### 1985-86 Officers

#### Colorado Bankers Association

Officers of the Colorado Bankers Association for 1985-86 (pictured above) are:

**President**—Royce B. Clark, chairman, IntraWest Bank, Greeley. He has been with IntraWest (and its predecessor First National Bank of Denver) for 28 years, many of them as vice president in the correspondent bank department in Denver. He has served as president and now chairman of IntraWest of Greeley for the past several years.

**Vice President**—A.J. Tony Anderson, president of the Kiowa State Bank, Kiowa. Mr. Anderson is a native of North Dakota where his father, the late Jerry Anderson, was president of the North Dakota Bankers Association several years ago.

**Chairman**—Conrad Kern, senior vice president, Independent State Bank of Denver, who served as CBA president the past year.

**Executive Manager**—Don A. Childers, who heads the association staff at Denver headquarters.



**TAKING** part in the Regulators’ Panel were, from left: **Roger Guffey**, pres., Kansas City Fed; **Richard B. Doby**, Colo. bk. commiss.; **James Martin, Jr.**, FDIC asset. reg. dir., Dallas; **Bob Burns, Jr.**, dist. adm., Comptroller of Currency, San Francisco, and Moderator **Wesley Strain**, pres., Bank of the Rockies, Colorado Springs.





LEFT—**Dick Muir**, v.p., United Missouri Bank of Kansas City; **Gary Brooks**, pres., Bank of Burlington; **Bev Muir**; **Claude** and **Pam Cage**, Colorado Springs, and **Ben Stapleton**, dir., Durango Natl. RIGHT—**Jim Van Dittle**, v.p., Bank of Burlington, and **Florence**; **Leo Van Dittle**, chmn., Bank of Burlington; **Anne Meidel**, and **Dick King**, pres., United Missouri Bank of Kansas City, and **Judy**.



LEFT—**Chuck Hazelrigg**, pres., United Bank of Denver, and **Luanne**; **Dick King**, pres., United Missouri Bank, Kansas City, and **Judy**, and **Don Hoffman**, chmn., Central Bank of Denver, and **Patsy**. RIGHT—At the Central Bank of Denver's annual breakfast for delegates were these hosts, from left: **Don Hoffman**, chmn.; **Don Echtermeyer**, sr. v.p. and head of the corr. bk. dept., and **Jim Osbourn**, exec. v.p.

services, such as insurance brokerage and underwriting, securities advising and underwriting, financial planning, real estate equity investments, travel agencies, home banking and others.

- Allow bank holding companies from other states to purchase a failing Colorado bank if no written bid is received from a Colorado purchaser. Bids would be sought first from contiguous states, then other states, if no Colorado buyer could be found.

- Allow regional bank holding company banking on a reciprocal basis, provided that four of the seven contiguous states permit entry of Colorado BHCs. Prior to the purchase, a majority of the assets of the purchasing BHC must be located in a single state contiguous to Colorado. Also, the Colorado bank or BHC being purchased must be at least five years old or was in existence on January 1, 1985, thus preventing de novo entry or charter brokering.

- Allow nationwide entry into Colorado on a reciprocal basis provided: Five years have elapsed in which Colorado has permitted regional banking; 34 states permit entry of Colorado BHCs; the purchasing BHCs state of domicile permits entry of Colorado BHCs, and the Colorado bank or BHC purchased is at least five years old. The intent of this portion is to provide a mechanism allowing interstate banking if two-thirds of the states involving Colorado adopt it.

- Liberalize the detached facility law regarding distance from the bank and services that can be offered. There is disagreement on the number of such facilities to be allowed and the extent to which services would be liberalized.

#### Speakers and Panels

Financial book author **Martin Mayer** told the audience, "I don't think it will matter terribly much whether Congress does or does not amend McFadden and/or Douglas.

There is going to be interstate provision of payments services...and interstate funding of interstate lending...by organizations which may or may not call themselves banks."

**Roger Guffey**, president of the Federal Reserve Bank of Kansas City, was one of four bank regulators on a special panel. He expressed his disagreement with the FDIC proposal to make public any cease and desist orders or memorandums of understanding issues by FDIC, citing "significant dangers to using this tool." He said such a measure could decrease confidence in the banking system. Mr. Guffey also called the use of nonbank banks "inappropriate." On the interstate banking issue, he noted the 7,000 interstate offices already in existence and said Fed studies show no evidence of discrimination against local markets. He also supported expansion of delegating examining authority to state banking departments.

**Bob Burns**, district administrator in San Francisco for the Comptroller



of the Currency, said "our emphasis is on capital adequacy and a bank's own system of controls and increased exposure. We must rely more and more on market discipline to regulate your activities. You are accountable for your banks. We examine how you meet that accountability."

**James Martin, Jr.**, of the Dallas FDIC office, stated: "We still find the underlying problem (of bank problems and failures) is lack of experience and management...Those who don't understand Asset/Liability management continue to have troubles." He placed emphasis on board supervision and noted the weaknesses of the board or management supervision.

**Richard B. Doby**, Colorado state bank commissioner, said his department was in daily touch with Ohio

and Maryland authorities during the confidence crisis in those states when "runs" were taking down some S&Ls and industrial banks. "The subject of private insurance for 133 industrial banks in Colorado was a concern," he said. "Approximately 42% of these have now become Fed members or insured directly by the FDIC."

A lengthy question and answer period followed the prepared remarks of the four regulators.

Another panel that gave the benefit of how their states have met various problems and opportunities similar to those raised by the Project Consensus Task Force was made up of three state association executive vice presidents: Frank E. Brawner, Oregon; Robert E. Harris, Oklahoma, and D. Gordon Murphy, Arizona.

As usual, entertainment at the CBA convention was top-drawer. In addition to the opportunity to participate in golf and tennis at the fabulous Broadmoor courses and courts, guests could take part in the "Fun Run," special exercise classes, or just chuck all the physical activity and take part in the entertainment. One of these was a wine and cheese tasting party in the exhibit hall, where an extensive array of booths displayed the latest in banking equipment and service technology.

The first night CBA members and spouses took part in a gala "Carnival Night" which included numerous "Midway" games and side-shows, topped off with four different kinds of food tables and desserts. The annual banquet was held the second night with a Cabaret Show and dancing. □

## First Interstate Elects VPs

The board of First Interstate Bank of Denver has elected James R. Cowgill and Sherry Featherstone as senior vice presidents and Louis L. Clinton, III, as vice president.

Mr. Cowgill, who joined the bank in 1966, is manager of the corporate trust group. He is a graduate of the University of Oregon.

Ms. Featherstone joined the bank's energy group in 1983. She currently manages the private bank and trust group. Prior to joining the bank, she worked for the General Electric Credit Corporation in Chicago.

Mr. Clinton joined the bank in 1978 as a management trainee. He received a BA degree from Kenyon College in Ohio.

## United Bank Promotes Five

United Bank of Denver recently announced the promotion of Mary E. McMahon to vice president and Patricia A. Holmes to assistant vice president. In addition, Rita Nilsen, W. Curtis Zeis and Patti Zeidler were promoted to officer positions.

Ms. McMahon, an affiliate funds manager, joined the bank in 1981. She holds a BA from Marquette University, Milwaukee, Wis.

Ms. Holmes has been with the bank since 1972, and is a production manager in cash management. Previously, she was a cash management officer.

Ms. Nilsen, a manager in interna-

tional banking, joined the bank in 1979. Prior to being named manager, she was an international banking representative.

A compliance administrator in the legal and compliance division, Mr. Zeis has been with the bank since 1981. He received his BA from the University of Colorado, Boulder.

Ms. Zeidler is a procedures analyst writer in the operations development and support services. She joined the bank in 1979 after working nine years with United Bank of Boulder.

## Denver Bank Promotes Officers; Adds Two

Central Bank of Denver has promoted one employee to vice president, two to assistant vice president and four to officer positions. In addition, the bank also appointed one new vice president and one new officer.

J. Michael Armstrong has been appointed to the position of vice president and director of the marketing division. He joins Central Bank after 15 years marketing experience, most recently as senior vice president of marketing at Union Planters National Bank in Memphis, Tenn.

Promoted to the position of vice president and trust officer is Harlan L. Cyphers. He has served as a personal trust officer and assistant vice president in the trust department since joining Central Bank in 1972.

Before that, he was a trust officer for First National Bank of Boulder.

Kathleen R. Jakelsky has been promoted to assistant vice president in the risk management department. She joined Central Bank in 1981 and served as insurance manager and coordinator, and control officer.

Jean M. Smith was promoted to assistant vice president of the trust tax department, retaining her title as trust tax manager. Since joining Central Bank in 1980, she has served as trust tax specialist and tax officer.

Appointed to the position of cash management officer is Barbara J. Beausoleil. Most recently she was assistant vice president at the United Bank of Littleton.

Promoted to retail banking officer positions are Patricia J. Wyperd and Teresa Bacon. Promoted to mortgage loan officer positions are Thomas E. Lindholm and Arthur R. Stewart.

Ms. Wyperd joined Central Bank in 1983 and served as unit manager of personal delivery systems and as project administrator of the retail sales support section.

Since joining Central Bank in 1983, Ms. Bacon served as retail planning and product development analyst and administrator.

Since joining Central Bank in 1982, Mr. Lindholm has served as credit analyst and administrative assistant for the mortgage loan division.

Mr. Stewart joined Central Bank



in 1982 as credit analyst in the commercial loan division, later becoming administrative assistant in the mortgage loan division.

### Two Assistant VP's Named

Colorado National Bank-Orchard Mesa, Grand Junction, has announced the promotions of R. Kelly Buford and Craig A. Coburn to the positions of assistant vice president, commercial loans and accounting respectively.

Mr. Buford joined the bank in 1984 as loan representative having previously been associated with First Interstate Bank of Denver (formerly First of Denver).

Mr. Coburn joined Colorado National Bank-Orchard Mesa in 1983 after receiving his BS degree in accounting from Northern Arizona University.

### Promoted in Denver

William C. Winkler has recently been promoted to the position of assistant vice president of Colorado National Mortgage Company in Denver.

Mr. Winkler joined Colorado National Mortgage in 1983 having previously been a management trainee at the Colorado National Bank of Denver.

### Addition in Denver Told

Coleman R. Robinson has joined Colorado National Asset Management, the investment management arm of Colorado National Bank of Denver.

Mr. Robinson was previously with Thompson McKinnon Securities as a stock broker, and prior to that with First National Bank of Denver's investment management division.

### CNB Undertakes Study, Elects Senior V.P.

The Colorado National Bank of Denver announced plans recently to undertake a comprehensive study of changing market conditions for commercial bank lending in Colorado and the Rocky Mountain region. The project will be headed by Robert L. Kropf, senior vice president and a member of the board. Mr. Kropf has been in charge of the banking department since 1978.

Fredrick F. Wangaard, Jr. has been elected senior vice president of

the bank and will assume responsibility for the banking department. Mr. Wangaard joined the staff of Colorado National Bank as a commercial loan officer in 1972. In 1982 he was elected president of Colorado National Bank, Arvada, where he served until January of 1985, when he was promoted to senior vice president—loan administration, Colorado National Bankshares, Inc.

### Advanced in Montrose

United Bank of Montrose recently announced the promotion of Virginia Hoagland to vice president and cashier. Previously assistant vice president and auditor, Mrs. Hoagland will be responsible for all operational functions of the bank.

Mrs. Hoagland joined United Bank of Montrose in 1969. She has over 25 years of experience in banking, with emphasis in operations and administration.

### Lakewood Addition Told

Catherine H. Schmitz recently joined Colorado National Bank, Lakewood as operations officer.

Ms. Schmitz has 22 years of banking experience having previously been associated with Nebraska State Bank and Trust, Broken Bow, Neb.

### Two Advanced in Golden

Colorado National Bank, Golden has recently announced the promotions of Diane Willett and Carol Allen to the positions of assistant vice president.

Ms. Willett, with 13 years banking experience, joined Colorado National Bank, Golden in 1981 as personal banking officer. Prior to that she was associated with Colorado National Bank of Denver.

Ms. Allen started her banking career at the Bank of Commerce, Utica, Mich., and joined Colorado National Bank, Golden in 1978 where she has held the positions of teller, new accounts supervisor, and operations officer.

### Boulder Promotion Reported

First National Bank in Boulder recently announced the appointment of Bill Cordell as assistant vice president and trust officer.

Mr. Cordell worked for four years as a trust administrator with First Commercial Bank in Little Rock,

Ark. Prior to that he worked in a private law practice.

### Officer Promoted in Arvada

Jeanne L. Gleason has been promoted to operations officer of Colorado National Bank, Arvada.

Ms. Gleason started with Colorado National, Arvada (formerly Arvada State Bank) in 1981. Her prior banking association was with the Bank of America where she held positions of teller and loan supervisor.

### Two Promoted in Denver

Colorado National Bank—Boulevard, Denver, recently announced the promotion of Mary Elizabeth Newman as vice president and H. Michael Rickard as loans and assistant operations officer.

Ms. Newman joined Colorado National Bank in 1979 and has 21 years of banking experience, having previously been associated with South Denver National Bank.

Mr. Rickard joined the bank in 1980 as total banker with subsequent promotions to administrative assistant to the cashier and operations work coordinator. He was previously associated with East National Bank, Denver and Metro National Bank, Denver.

### Elected to Board

Dean Peterson, president of Restaurant Services, was recently elected to the board for Citizens Bank of Glendale.

Mr. Peterson owns and operates the Bull and Bush, Simms Landing, Marina Landing, H. Brinker's and Duggan's Restaurants.

### Report Recognized

The Information Center of the Bank Marketing Association has accepted for its collection five school project reports and 13 marketing plans written by graduate students of the 1985 BMA School of Bank Marketing at the University of Colorado, Boulder.

Included in the selection was a report by Dianne S. Yost of Affiliated Bankshares of Colorado, Inc., Boulder, entitled "An exploration of individual retirement account alternatives for a bank holding company consisting of 29 community banks with assets ranging from \$7 to \$331 million."



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*From left to right: Dwain Carlson, Manager;  
Jay Callahan, Bill Van Lent, John Walters,  
Ray McMahon, Marlene Wagner.*



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## Nebraska

M. Adams, pres., Ogallala  
S. Matzke, Jr., exec. v.p., Lincoln



## Governor Vetoes LB 717 Tax Bill

ON JUNE 5, Nebraska Governor Robert Kerrey vetoed bank tax bill LB 717. He cited questions about the bill's constitutionality raised in an attorney general's opinion on the proposal, as well as his understanding that LB 717 would not raise any new revenues for the state, as reasons for his veto.

Governor Kerrey's action came as a disappointment to the Nebraska Bankers Association, which had worked long and hard on reaching a compromise that was equitable within the industry, which also put Nebraska banks on par with other corporate taxpayers in terms of revenues produced.

NBA President Mel Adams of Ogallala declared, "The proposed bill was eminently fair between banks in that any bank that made money would have paid a tax, and it was so simple that it could be administered by one person on a part-

time basis." He added, "The result of the veto is that a few Nebraska banks who have been fortunate enough to have made money will bear the entire brunt of the Nebraska tax burden."

Mr. Adams explained that the Attorney General had expressed some constitutional concern, but the bill had been cleared of constitutional infirmities by several reputable law firms.

"The bill also contained a provision that has worked in Iowa that provided there would be no refunds of taxes voluntarily paid because of constitutional infirmities," he said.

"The Nebraska Bankers Association stands committed to an early complete study of the tax contributions of all financial institutions and will continue to work for a tax that is fair to all and yet provides a fair share contribution to the economy of Nebraska," Mr. Adams stated.

## Bellevue Appoints Four

Bank of Bellevue President Jack Ayres has announced four officer appointments.

Carl Comte has been named vice president in charge of branch facilities administration. Prior to joining the Bank of Bellevue in 1979, he served as assistant chief of staff at Strategic Air Command headquarters.

Karen Hosier has been appointed

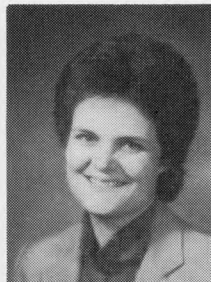
assistant vice president and assistant trust officer. Ms. Hosier previously worked as an accounting officer with an Omaha financial institution before joining the Bank of Bellevue last summer.

Neva Hash has been promoted to assistant cashier and manager of the bank's branch facility at Offutt Air Force Base. Ms. Hash joined the bank in 1979 as a part-time teller.

Gloria Briggs has been named



C. COMTE



K. HOSIER



N. HASH



G. BRIGGS

branch facility manager at the Bank of Bellevue's Olde Towne office. Ms. Briggs joined the bank in 1962 as a member of the customer service department.

## North Platte Addition Told

Rex A. Brown has joined the First National Bank and Trust Company of North Platte as assistant vice president and loan officer.

Mr. Brown has been involved in banking for the past twelve years and was most recently affiliated with the First National Bank of Holyoke, Colo., where he held the position of cashier.



R.A. BROWN

## Roe Nominated to ABA Board

Former NBA president Jerry E. Roe, chairman and president of the Bank of Bennington, is one of the six bankers nominated nationwide to fill seats on the American Bankers Association's board.

Mr. Roe presently serves on the ABA's community bank council advisory board. He previously served on the ABA council from 1981-84; was the Nebraska state vice president in 1982-83; and served on the advisory conference of state associations in 1980-81.

## New President Named At Bank of Valentine

At a recent meeting of the board of Bank of Valentine, the election of W.B. Huffman as vice chairman and John C. Stevens as president was announced.

Mr. Huffman, who has been engaged in banking since 1946, retired from active management of the bank effective June 30. He began his career at National Bank of Neligh and was later employed by the Nebraska Department of Banking, First National Bank in Mitchell, The Guardian State Bank & Trust Co., Alliance, and for the past 17 years as executive vice president and president of the Bank of Valentine.

Mr. Stevens joins the bank from Citizens State Bank of Thedford, where he started his banking career in 1957 and most recently served as president.





**Omaha**

At Norwest Bank Omaha, two vice presidents will assume different responsibilities, and three new officers have been elected.

Sylvia Myers has become vice president/manager of the Regency office. She began working at Norwest Bank Omaha in 1967. In 1972 she was named manager of the 16th Street facility and in 1978 was promoted to the Regency facility. Ms. Myers became the assistant manager of the Central Park facility in 1982 and was promoted to manager in 1984.



S. MYERS

R.L. BILLINGS

Robert L. Billings has become vice president/manager of the sales finance department at the 24th and L Street office of the bank. He joined Norwest Bank Omaha in 1967 and has worked in many retail areas. He was made a second vice president in 1979 and in 1981 was promoted to vice president/manager in the retail banking area and was the bank's compliance officer. In 1984 he was promoted to vice president/manager of the Regency office.

New officers elected include Richard L. Harms, second vice president; Jerald D. Lundgren, agricul-

tural loan officer, and Jan Poole, personal banking officer.



J.D. LUNDGREN

J. POOLE

Mr. Harms worked four years for the FICB at Omaha and then moved to Harlan, Iowa to become the agricultural PCA president in 1980. In 1984 he moved to the south central Iowa PCA at Creston as a loan specialist. He joined Norwest Bank Omaha as a second vice president in the agricultural department in April, 1985.

Mr. Lundgren started at Norwest Owatonna, Minn. in 1979. He was promoted to agricultural loan officer in 1980, agricultural representative in 1981 and in 1983 became agricultural officer and department manager.

Ms. Poole began working at Dial Finance (now Norwest Financial) in 1952. She joined the bank in 1973 and has worked in the credit adjustment department and as a personal banker at three locations.

\* \* \*

At Norwest Bank Omaha West, Mary Jo Assman and Nancy S. Bloom have been promoted to retail banking officers/facility managers.



M. ASSMAN

N. BLOOM

Ms. Assman has been with the bank since 1976. Ms. Bloom joined the bank in 1973 and has worked in bookkeeping, the teller area and as a personal banker.

\* \* \*

The Douglas County Bank & Trust Co., has announced its plans to participate in the National Child Watch Campaign, an effort to find missing children. It is the first financial institution in the nation to join in the effort.

Harlan O. Falk, senior vice president of the bank, said his organization decided that the more businesses that are involved, the more effective the program would be.

The National Campaign has a threefold purpose: To find missing children; to create an awareness of the scope of the problem, and to inform parents and children on how to prevent abductions.

Douglas County Bank & Trust Co., will help the program by including photos of missing children in their monthly statements to more than 10,000 bank customers.

\* \* \*

Donald D. Adams, George E. Turley and Clark H. Mattingly have been named vice presidents of First-Tier, Inc., according to John D. Woods, board chairman and CEO.

Mr. Adams is in charge of govern-



D.D. ADAMS

G.E. TURLEY





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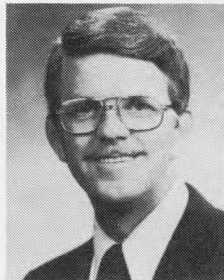
Gerry Tomka, Ralph Peterson, Fred Kuehl, Tom Jensen, Tim Smith, Todd Kruse.



ment affairs for FirstTier. Mr. Turley is auditor, and Mr. Mattingly is deputy auditor.

Upon retirement in 1973 from the U.S. Air Force, Mr. Adams joined Omaha National Corporation, FirstTier's predecessor company, as vice president of community affairs. In 1976, he was named vice president and director of personnel for Omaha National Bank. Mr. Adams also has served as the organization's chief lobbyist.

Mr. Turley was auditor of Live-stock National Bank when it merged with Omaha National in 1954. He



C.H. MATTINGLY



C.W. FAULKNER

served as assistant auditor of Omaha National until being named auditor in 1958. He was promoted to vice president in 1968.

Mr. Mattingly joined First National Lincoln in 1978 as data processing auditor after serving in a similar position with another Lincoln financial institution. Mr. Mattingly was named vice president and manager of First National Lincoln's auditing division in 1984.

Clark W. Faulkner was elected to the board of directors of FirstTier, Inc. at the shareholders' annual meeting. He succeeds Dwight C. Perkins, who has retired from the board.

Mr. Faulkner is board chairman and chief executive officer of the Woodmen Accident & Life Co. of Lincoln. He is also a director of First National Bank & Trust of Lincoln.

### Kearney Bank Adds Officer

Joe W. Novak has recently joined the Kearney State Bank and Trust Company as a loan officer.

Mr. Novak had served as a loan officer with two midwestern banks during his nine year bank career including the Valley National Bank of Fremont County at Riverton, Ia., and First Wyoming Bank of Kemmerer, Wyo. In addition he was the cashier of Saline State Bank of Wilber.



J.W. NOVAK

Ms. Seefus, control supervisor at American National Bank, Omaha, joined the bank's staff in 1975 and has completed several AIB courses during that time. Previously, she was secretary for the state AIB committee and vice president of the Omaha chapter of AIB.

### Bellevue Adds New Bank

Young, Rozmarin & Company, an Omaha bank management and consulting firm, has announced approval of a state charter by the State Department of Banking and Finance for a new bank to be located in Bellevue.

Thomas L. Rozmarin, a principal in the firm and an organizer of the First United Bank of Bellevue, said the bank will open in the fall following approval of the Federal Reserve Bank and the obtaining of FDIC insurance.

First United Bank of Bellevue will be located at Highway 370 and Hillcrest Drive. A temporary facility will be constructed on the site and will house the bank until its move into the permanent facility, a multi-story commercial office building on the same site.

Approval for the charter was granted May 29, 1985. According to Mr. Rozmarin, First United Bank of Bellevue stock will be owned by its holding company, Crown Bancshares, Inc. This corporation is owned by the bank's 15 Bellevue and Omaha organizers. Stock will be made available to local residents following the opening of the bank.

### Lexington V.P. Named

Jon Thornburg recently accepted a position with Lexington State Bank and Trust Co. as vice president and trust officer.

Mr. Thornburg has been a national trust examiner with the Comptroller of the Currency for the last four and a half years, where he was responsible for examining trust departments from the Des Moines Duty Station in Des Moines, Ia.

### LB 653 Bill Passed

The 89th session of the Nebraska Unicameral adjourned sine die last month after approving LB 653(e), the banking department's omnibus

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bill. The bill was signed into law by Governor Kerrey.

Under provisions of the bill, the state banking director could authorize a bank to treat real estate acquired through foreclosure as part of the bank's capital account. With the banking director's authorization, a bank would have the ability to lease the property, farm it, or run it as trust property. Another provision of the bill gives the banking director more flexibility in deciding whether a bank could remain open if its fidelity bond is canceled.

### Oxford Bank Changes Hands

Security State Bank and the Oxford Insurance Agency, Oxford, previously owned by Dan and Betty Huff of Lincoln, has been sold to Dan Johansen and Associates of Oxford, effective May 1. Mr. Johansen, who will serve as president, joined the bank in 1979 from North Loup Valley Bank, where he served as vice president.

According to Mr. Johnson, no staff changes are anticipated.

### Orleans Bank Opens

Republican Valley Bank, Orleans, has recently moved into its new banking facility at the corner of Orleans Avenue and Pine Street. The first day of business at the new location was May 28th.

### Four State Banks Closed, Two Reopen as Branches

On May 31, State Banking Director Roger Beverage closed four Nebraska banks: Bank of Taylor, The Fairfield State Bank in Fairfield, Security State Bank in Edgar and Scroggin & Co. Bank in Oak.

Bank of Taylor was reopened Monday, June 3, as a branch of Union Bank & Trust Co. of Lincoln. Union Bank assumed approximately \$12.2 million in 3,500 deposit accounts, and has agreed to pay the FDIC a purchase premium of \$10,000. It also will purchase the failed bank's installment loans, real estate loans, and certain other assets for \$2.7 million. To facilitate the transaction, the FDIC will advance \$9.6 million to the assuming bank and will retain assets of the failed bank with a book value of about \$11 million. The Bank of Taylor had been owned by Packers National

Bank in Omaha, which acquired it in April when Packers foreclosed on a stock loan made to the owners of the Taylor Bank. According to Mr. Beverage, a combination of liberal lending practices of prior years and the deteriorating agricultural situation caused the failure of the bank.

Security State Bank in Edgar was reopened Monday, June 3 as a branch of Guide Rock State Bank of Guide Rock. Guide Rock State Bank has assumed about \$5.2 million in 1,500 deposit accounts and has agreed to pay the FDIC a purchase premium of \$26,000. It will also purchase the failed bank's installment loans, real estate loans, and certain other assets for \$1.4 million. To facilitate the transaction, the FDIC will advance \$3.9 million to the assuming bank and will retain assets of the failed bank with a book value of about \$4.4 million. According to Mr. Beverage, the bank's failure was due to losses in its agricultural portfolio.

The FDIC is preparing to pay off insured depositors in the Fairfield State Bank in Fairfield. Deposits in the bank amounted to about \$5.4 million in 1,500 accounts. The FDIC estimates that all but about \$169,000 of the deposits in nine accounts are within the federal insurance limit of \$100,000 or are otherwise secured. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from the liquidation of the bank's assets. The FDIC determined that a payoff of insured depositors was required because no bids were received for the failed bank. It also voted to make a prompt advance payment to uninsured depositors, based on the estimated present value of assets to be liquidated, equal to 50% of the uninsured claims.

The FDIC also will pay off insured depositors in the Scroggin and Company Bank of Oak. Deposits in the bank amounted to about \$2.8 million in 710 accounts. The FDIC estimates that all but about \$104,000 of the deposits in two accounts are within the federal insurance limit of \$100,000 or are otherwise secured. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from the liquidation of the bank's assets. Because no bids were received for the failed bank, the FDIC determined that the

payoff was required. Based on the estimated present value of assets to be liquidated, equal to 50% of the uninsured claims, it also voted to make a prompt advance payment to uninsured depositors. Agricultural loan losses were the attributed cause of the failure of both the Fairfield and Oak banks.

### NBA Adopts Objectives

The Nebraska Bankers Association's 1985-86 executive council recently adopted several objectives for the coming year.

The council endorsed the following "internal" objectives:

(1) Transfer of administrative responsibilities of the Voluntary Employees Beneficiary Association (VEBA) on October 1, 1985, which entails the administration of the group health insurance fund;

(2) Assumption of the administration of the Schools of Banking, Inc., effective January 1, 1986; and,

(3) Undertake a study of the association's present dues structure. In addition, the council also approved the following "outside" objectives, as presented by President Mel Adams:

(1) Continuing the effort at improved communications with the various banking regulatory agencies;

(2) Farm policy program;

(3) Bank image project;

(4) State bank tax study; and,

(5) Legislative effort in anticipation of a special session.

### Bank Proposed in Omaha

Commerce Bancshares of Kansas City has been granted preliminary approval by the Comptroller of the Currency to organize a limited service bank in Omaha. The bank would be located at Pacific and 72nd Street and known as Commerce Bank of Omaha, N.A.

### Two Acquisitions Approved

The Federal Home Loan Bank board has approved the application of Security Holding Company of Lincoln to acquire State Security Savings Company. The step is a part of State Security's bankruptcy reorganization effort.

The Federal Home Loan Bank board has also approved Home Federal Savings and Loan Association's acquisition of the assets of Commercial Federal Savings and Loan Association's branch in Holdrege.





## Lincoln

**Tom Henning**, currently president and CEO of Overland National Bank of Grand Island will assume the position of president of National Bank of Commerce, Lincoln, on August 1. Mr. Henning, who was formerly a vice president of National Bank of Commerce, will replace **Thomas D. Potter**, former president and CEO, who announced his resignation in May.



T. HENNING



T. POTTER

When Mr. Potter's resignation becomes effective on August 1, **Jim Stuart, Jr.**, who is currently president of Commerce Group, Inc., the parent of NBC, will assume the responsibilities of chairman and CEO of NBC. **Hugh Hansen**, currently executive vice president of NBC and executive vice president of Commerce Group, Inc., will become vice president of NBC.

\* \* \*

The Federal Reserve Board has approved the application from Commerce Group, Inc., Lincoln, to acquire Commerce Group Kearney, Inc., First National Bank and Trust Co., of Kearney; Commerce Group Hastings, Inc., City National Bank and Trust Co., Hastings; Commerce Group West Point; Commerce Group Grand Island, Inc.; Overland National Bank of Grand Island;

Commerce Group North Platte, Inc., and North Platte National Bank.

The board will also permit the application to retain currently owned shares of Commerce Savings Lincoln, Inc., Commerce Savings Scottsbluff, Inc., and Commerce Savings Columbus, Inc.; and to acquire 83.35 percent of the shares of Commerce Affiliated Life Insurance Co., Phoenix, Ariz.

\* \* \*

**Walter G. Stephenson Jr.** has been named manager of the consumer loan department of Gateway Bank and Trust. Mr. Stephenson has been responsible for the bank's business development program since November, 1984. Prior to joining Gateway, Mr. Stephenson served as vice president of Magee's Inc., Lincoln.

### NBA Research Results Told

The Nebraska Bankers Association commissioned a state-wide survey of attitudes and behaviors concerning financial institutions across the state. The survey was conducted by SRI Research Center, Inc. of Lincoln, Neb.

A total of 954 Nebraskans were included in the survey. The total sample represented seven geographic areas with approximately 100 respondents from each of five areas plus over 200 respondents from Omaha and Lincoln. The study was a telephone survey with the data collected during April, 1985.

The total survey was organized into seven major topical subjects:

**Utilization of Financial Institutions:** 87% do business with a bank, 46% with a savings and loan, and

36% with a credit union or brokerage firm.

**Reason for Selecting a Financial Institution:** Of 15 possible reasons for selecting a financial institution, two clearly dominated. These were knowing savings and investments were safe and having savings and investments federally insured.

**Individual Retirement Accounts:** Statewide, 30% have an individual retirement account such as an IRA. This means 70% do not have an IRA or equivalent and banks are in the strong position to secure additional IRA accounts.

**Institutional Confidence:** Across all types of financial institutions, the percent reporting less confidence was greater than the percent, having more confidence.

**Financial Insurance Terminology:** 71% knew what FDIC meant, 31% knew what FSLIC meant, 7% knew what NDIGC meant.

**Difference Between Banks and Savings and Loans:** 42% said they either did not know the difference between a bank and a savings and loan or they reported that the two institutions were about the same.

**Full Service Bank Advertising:** 62% reported they had read, seen or heard an advertisement about full-service Nebraska banks during the last year.

### Havelock Bank Sponsors 7th Annual Charity Run



**THE 7th Annual Havelock Charity Run**, sponsored by the Havelock Bank, Lincoln, was held May 18th with over 1200 runners and a huge crowd of spectators. This year Havelock Bank established a special award for the media organization whose team came in first in the 10 kilometer event. The award, a handsome 19 inch walnut and pewter trophy, will reside with this year's winner and will travel on in 1986. The winner of this year's run was radio station KFOR with two honorable mentions going to radio stations KLMS and KHAT.

\* \* \*



## Montana

C. Pedersen, pres., Great Falls  
J.T. Cadby, exec. v.p., Helena



### Vashus Reappointed

T.A. Vashus, former president of First National Bank of Glendive, has been reappointed as Montana's membership chairman for the American Bankers Association.

The one-year appointment requires Mr. Vashus to solicit members for ABA and to help banks with questions about membership.

Mr. Vashus was president of the Montana Bankers Association for 1974-1975, and has most recently served as chairman of the Historical Preservation Task Force.

### Great Falls V.P. Elected

LaVonne R. Kirkhorn has been elected vice president and manager at First Bank West Great Falls. She succeeds Phillip B. Johnson, who has been named executive vice president at affiliate First Bank Helena.



L.R. KIRKHORN

Ms. Kirkhorn began her banking career in 1965 at the City National Bank in La Mirada, Calif. She joined First Bank Great Falls in 1968 and worked as a universal teller, outside adjustor and installment loan officer before joining First Bank's commercial loan department in 1977. She was elected assistant vice president in 1981 and worked in credit review and compliance functions for two years. She joined First Bank West as vice president and assistant manager in November 1984.

### Bank Opens at Seeley Lake

The 1st Valley Bank of Seeley Lake opened for business April 1st. As the first bank in Seeley-Swan Valley, it has its closest competitor 55 miles away in Lincoln.

Capitalized at a million dollars, the bank has \$400,000 in capital stock, \$300,000 in surplus and \$300,000 in undivided profits. It is housed in a log structure of about 3,500 square feet.

The bank's president is James Cowan, and its vice president/cashier is Jeff Mortensen. The 1st Valley Insurance Agency operates out of the bank and is managed by Frank White.

### Elected at Miles City

First Interstate Bank of Miles City has announced the election of Tim Waldo as installment loan officer. Mr. Waldo began his banking career in June, 1984, working as a management trainee in the consumer banking department.

### Commercial Lenders Meet

More than 70 Montana bankers met in Great Falls on May 23-24 for the Montana Bankers Association Commercial Bankers Conference.

The key-note speaker was Margaret Keene of Westport, Conn., who spoke on negotiating skills. Other speakers included Carey Matovich, a Billings attorney; Mark Conrad, Norwest Bank of Minneapolis; John Cronholm, director of the Helena Small Business Administration office, and John Cadby, executive vice president of the MBA.

The day and a half long conference generated an estimated \$19,000 in economic impact. It was sponsored by the MBA's Commercial Bankers Committee, Pat McGarrough, chairman, Norwest Bank of Great Falls, and Frank Shaw, vice chairman, Norwest Bank of Helena.

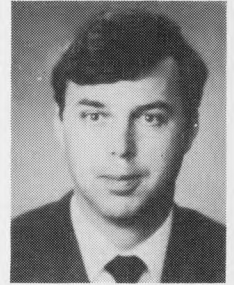
### Two Advanced in Billings

At First Interstate Bank of Billings, N.A., James Ritter has been promoted to assistant vice president, and Keith Loran was advanced to industrial loan officer.

Mr. Ritter joined the bank in 1979, and has served as manager and real estate officer in the indirect loan department and construction loan officer. Mr. Loran previously served as indirect loan and industrial loan representative, having joined the bank in 1984 from Norwest Financial Service in Billings and Missoula.

### V.P. Named in Helena

Phillip B. Johnson has been elected executive vice president of First Bank Helena, succeeding Richard Fossum, who is retiring.



P.B. JOHNSON

Mr. Johnson began his banking career in 1970 when he joined First Bank Havre, and has stayed in the First Bank System ever since. He served in agricultural and commercial lending capacities at Bozeman from 1972 to 1978; as vice president and second officer in Cloquet, Minn. from 1981 to 1983; and at Great Falls, where he was elected executive vice president and second officer in 1984.

### Elected at Bozeman

Daniel Edwards has been named president of Western Bank of Bozeman. He helped organize the bank in 1971. Paul Brodt, who joined the bank in 1977, has been elected executive vice president and director.

### Convention Update

At the time this issue was being mailed, the Montana Bankers Association was holding its annual convention in Sun Valley, Idaho.

Richard Timmerman, president of First Bank Butte, was scheduled to advance to president of the association, succeeding Charles E. Pedersen, chairman and president of First Interstate Bank of Great Falls.

A complete convention coverage with photos will appear in the August NORTHWESTERN BANKER.



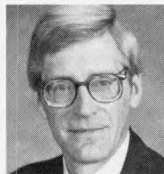
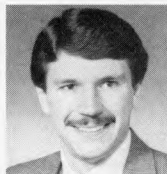
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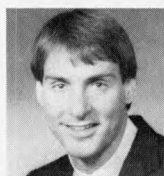
**Joe Bustin**  
Vice President  
and Manager, Commercial  
Banking Division

**Arnie Ripperger**  
Vice President  
Eastern Region



**John Miller**  
Vice President  
Western Region

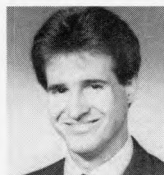
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### ISU Alumni Awards Received by Tubbs, Harl, Custer

Iowa State University has announced its Alumni Days awards for 1985. The Floyd Andre Award by the College of Agriculture was given to Edward L. Tubbs of Maquoketa, chairman of Maquoketa State Bank. Neil E. Harl of Ames, Charles F. Curtiss Dis-



E.L. TUBBS



N.E. HARL



C.Z. CUSTER

tinguished Professor in Agriculture and professor of economics at ISU, was a recipient of a Distinguished Achievement Citation. An Alumni Recognition Medal for outstanding service to ISU was presented to Carole Zike Custer of Jefferson, vice president/marketing director at Brenton State Bank of Jefferson.

Mr. Tubbs received a B.S. in animal husbandry from ISU in 1941. A farmer since 1946, he managed the farm loan department of the Jackson State Bank, Maquoketa, for seven years before becoming president and later chairman of Maquoketa State. In 1959 he participated in one of the first agricultural exchanges with the Soviet Union. He was co-founder of MABSCO Agricultural Services, Inc., which provides a secondary market for farm loans through Rabobank Nederland. Mr. Tubbs is a director of the ISU Alumni Association and has held a number of offices in the Iowa Bank-

ers Association, which he served as president in 1980-81.

Prof. Harl, who is also an attorney, has been instrumental in assisting leaders in government, agriculture and the banking community to understand and solve current economic problems in agriculture. He has testified before Congressional committees, helped write farm legislation, and written a 15-volume treatise on agricultural law.

Ms. Custer has been active in various alumni activities over the years including the North Iowa ISU Club, the board of directors of the Alumni Association, the board of the ISU Achievement Foundation, and as a legislative liaison.

### Griswold Bank Names Three

Griswold State Bank has recently announced the promotion of Ivan Husa to executive vice president, Marty Krohn to agricultural loan officer and Karen Uehling to cashier.

Mr. Husa joined the bank in August of 1983 as vice president and became a member of the board in 1984. His experience spans ten years of agricultural lending with the production credit association as well as the Griswold State Bank.

Mr. Krohn joined the bank earlier this year after serving as agricultural loan officer with the Farmers Home Administration in Holdrege, Neb.

Mrs. Uehling joined the bank in 1983, starting in the area of bank operations.

### Marketing Plan Recognized

"A Marketing Plan for 1985" by Bill J. Bailey, Iowa Trust and Savings Bank, Centerville, was one of 13 marketing plans and five school project reports accepted by the Information Center of the Bank Marketing Association, Chicago, for its collection. The plans were written by graduate students of the 1985 BMA School of Bank Marketing at the University of Colorado, Boulder.

The project reports and marketing plans were judged by the Information Services Council of BMA as representing the most outstanding academic work that demonstrates the proper application of marketing principles.

### Iowa Bank Women Hold NABW Conference

The Iowa State Conference of the National Association of Bank Women, Inc. was held May 8-10 at the Savery Hotel in Des Moines. The conference, which was entitled "The Challenge of Change," was attended by 175 women executives.



K. ORTEGA

John Chrystal, president of Bankers Trust Company, Des Moines, gave the keynote address on the topic "The Challenges of the Iowa Economy."

Also addressing the conference attendees was U.S. Treasurer Katherine D. Ortega.

Various workshops were featured at the conference relating to the changes in the financial industry, both from an industry standpoint and from a personal standpoint as professional within the financial industry. There was also a presentation by Mary Greffe, president of Lead Associates, Ltd.

Members of the Iowa State Council include:

State Council President—Margaret Linnquist, vice president and investment officer, Montgomery County National Bank, Red Oak;

State Conference Chairman—Sharron A. Marquart, senior operations officer, Brenton National Bank, Des Moines;

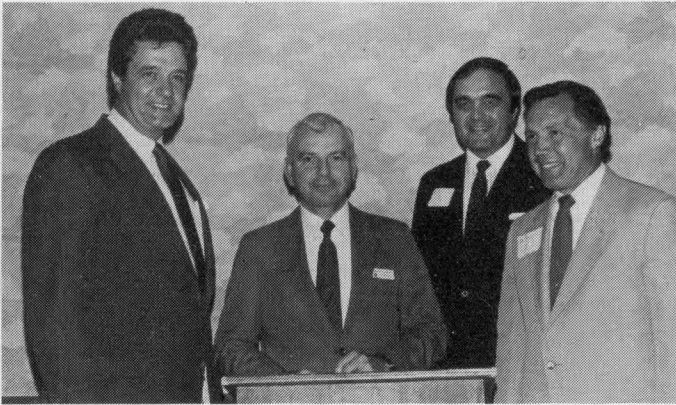
Awards & Scholarships Chairman—Roma Kroll, assistant vice president, First National Bank, Sioux City;

Education & Training Chairman—Shirley Carmine, second vice president, Shelby County State Bank, Harlan;

Membership Chairman—Carol J. Pierce, trust officer, National Bank of Waterloo, and

Public Affairs Chairman—Frances Schmeling, cashier, First State Bank, Mapleton.





**AT GROUP 5** in Council Bluffs, left to right: **Bill Logan**, pres. IBA, pres., State Central Bank, Keokuk; **Tom Whitson**, chmn. Gp. 5 and pres., Council Bluffs Sav.; **Mick Gutttau**, secy. Gp. 5 and pres., Treynor State, and **Neil Milner**, IBA exec. v.p. **RIGHT**—Gp. 2 in Ft. Dodge: **Norman D. Skadburg**, chmn. Gp. 2 and pres., First State, Webster City; **Joe E. Hutchinson**, Gp. 2 secy. and pres., Union State, Rockwell City, and **Randy Steig**, IBA exec. dir.

## IBA Groups 3, 5 Elect New Officers

By **BEN HALLER, JR.**  
Publisher

**D**URING the second week of Iowa Bankers Association group meetings in late May, new officers were elected by Groups 3 and 5. In addition, the office of secretary remains to be filled by mail ballot of members this summer. That position was vacated by David D. Vasekaar when he resigned as executive vice president of the Sibley State Bank. The new officers, to be inducted officially at the conclusion of the IBA convention in September, are:

**Group 3:** Chairman—Donald E. Snyder, president, Manufacturers Bank & Trust, Forest City; Secretary—William G. Herbrechtsmeyer, president, First Security Bank & Trust Co., Charles City.

**Group 5:** Chairman—Thomas D. Whitson, president, Council Bluffs Savings Bank; Secretary—Michael K. Gutttau, president, Treynor State Bank, Treynor.

The four meetings were held in Council Bluffs (Group 5), Fort Dodge (Group 2), Okoboji (Group 12) and Clear Lake (Group 3).

Addressing the four meetings as they did during the first week were Bill Logan, president of the IBA and president, The State Central Bank, Keokuk; Neil Milner, IBA executive vice president; Thomas H. Huston, superintendent of banking and president, Columbus Junction State Bank, and Howard O. Hagen, assistant attorney general, State of Iowa, who returned to private law practice in Des Moines July 1.

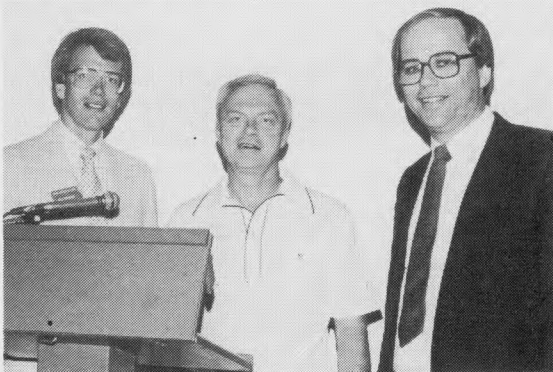
Mr. Huston pointed out that while Iowa continues to have a sagging farm economy that has contributed to the failure of seven Iowa banks this year, the adjusted capital to asset ratio of all Iowa state chartered banks remains a strong 9.75%. In addition, the number of banks below the 7% capital level has declined from 14 to 11.

Mr. Hagen said the S&L crisis is the tip of the iceberg, and that in-

dustry's deep problems may have as much as anything else to do with the pressure for interstate banking. He said seven states authorize private insurance for non-federal thrifts and all need conversion to FSLIC coverage or as part of commercial banks for FDIC coverage. Mr. Hagen also said 400 S&Ls have less than zero net worth. The FSLIC, he noted, is almost broke — 5 S&Ls alone are larger than the fund itself, which is listed as \$6 billion, but is closer actually to \$1.5 to 2 billion after necessary adjustments. This compares to the \$18 billion in the FDIC fund, which is up \$1 billion in one year despite the failure of so many banks the past 18 months.

Mr. Logan said there is pressure to merge with the FSLIC and FDIC funds, but expressed his strong opposition to that proposal because the FDIC would "bail out" S&Ls with money paid in by commercial banks.

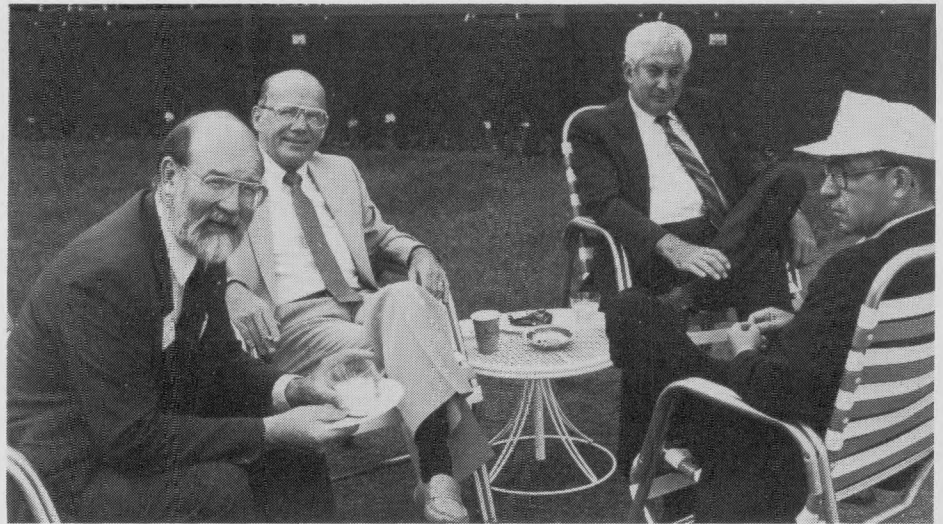
Mr. Milner presented his update on state and federal legislation that he gave the first week, and was assisted by Wes Ehrecke, IBA government relations director. □



**AT GROUP 12** at Lake Okoboji: **Wes Ehrecke**, IBA govt. rel. dir.; **Stanley G. Smith**, chmn. Gp. 2 and chmn., Rock Rapids State, and **Howard O. Hagen**, Iowa asst. atty. general. **RIGHT**—Pictured at Gp. 3 meeting in Clear Lake: **Bruce Merlwether**, IBA pres.-elect and pres., First Natl., Dubuque; **Fred W. Hagemann**, retiring chmn. Gp. 3 and pres., State Bk. of Waverly; **Donald E. Snyder**, new chmn. Gp. 3 and pres., Manufacturers B&T, Forest City, and **William G. Herbrechtsmeyer**, new secy. Gp. 3 and pres., First Security B&T, Charles City.



Photos from second week of Iowa Bankers group meetings



RELAXING at Gp. 12 meeting at Lake Okoboji were, from left: **Conrad Lawlor**, dist. dir. SBA, Des Moines; **Tom Killeen**, v.p., Des Moines, and **Bob Wellhausen**, v.p., Chicago, both with Federal Reserve Bank of Chicago, and **Tom Huston**, Iowa supt. of bkg.



LEFT—**Dennis Nahnsen**, v.p., Security Natl., Sioux City; **Larry Carlson**, v.p. & cash., Cherokee State, and **Chuck Kummerfeld**, v.p. & cash., Security State, Sutherland. RIGHT—**Max Roy**, sr. v.p., Drivers Bank of Chicago, and his wife, **Lillian**; **Cy Kirk**, Freeland Financial Service, Des Moines, and **Maxine** and **Bill Hamilton**, v.p., First Bk. Minneapolis.



LEFT—**Darrell Elkins**, a.v.p., BICS, Sioux City; **Karen** and **Dale Den Herder**, pres., American State, Sioux Center; **Gary Stevenson**, v.p., First Natl., Sioux City, and **James Cuttell**, pres., George State. RIGHT—**Al Eggabroad**, a.v.p., First T&S, Armstrong, and **Stan Farmer** and **Gary Bartlett**, a.v.p.s, Merchants Natl., Cedar Rapids.



Mini Park is Continued

Security National Bank, Sioux City, is continuing its Friday Mini Park tradition for the 1985 summer season.

The Mini Park features entertainment performed by talented Sioux City individuals, and is being presented in the area adjacent to the bank's downtown office at Sixth and Pierce every Friday from 11:30 a.m.

to 1:00 p.m. throughout July and August.

IACHA Postpones Vendor Selection

The Iowa Automated Clearing House Association (IACHA) decided at its April 11 board of directors meeting to postpone choosing a vendor for its Enhanced Automated

Clearing House Mechanism (EACHM) project. The EACHM project is a study into a private sector alternative to the Federal Reserve ACH system. IACHA chose to postpone vendor selection because the evaluation process failed to yield a vendor whose product was clearly superior and because the need for a full private sector processor is not immediate.





IOWA State Bank & Trust Company, Iowa City, is pictured in the above artist's rendering, which shows the existing Main Bank building with attached new building. The interior view is of the main reception area for the administrative, investment and commercial lending division, which are located behind.

## Iowa State Bank Completes Expansion

IOWA State Bank & Trust Company, Iowa City, is celebrating its 50th anniversary this year with the opening of its newly-expanded banking facility.

Groundwork for Iowa State's building expansion was laid in 1980 when it purchased the Strub-Nordstrom building directly to the south of the main banking facility. The plan was to raze that building and

use the site for a new building which would integrate both physically and aesthetically with the 72-year-old existing facility. This task was accomplished by Bank Building Corporation, general contractor for the expansion project.

In October of 1983, Bank Building Corp. began preparation for the foundation of the new building which was completed in May of this

year. The new building consists of a basement and two upper floors, and was constructed with footings to accommodate future possible expansion to six floors. With completion of the new building, the bank more than doubled its existing space and now enjoys 35,000 square feet of floor space. Total cost of the project was approximately \$3 million.

## Ben Summerwill Retires At Iowa State B&T, Iowa City

Ben E. Summerwill concluded a 39-year career with Iowa State Bank & Trust Company in Iowa City when he retired on May 31. He continues as chairman of the bank's board of directors.



B.E. SUMMERWILL

Mr. Summerwill is the second of three generations of his family who have served at Iowa State Bank & Trust Company. Ben S. Summerwill, his father, was president for many years until being elected chairman in 1953, at which time another son, William W. Summerwill, became president. Following their father's death, Bill Summerwill moved to chairman and Ben Summerwill to president in January, 1969. Presently, W.R. (Dick) Summerwill is president and Ben E. Summerwill's daughter, Kristin E. Summerwill, is marketing officer.

Ben E. Summerwill joined the bank on March 1, 1946, after having served five years in the United States Army during WWII. He

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started in the batch department, delivering work from teller stations to the bookkeeping area. Later, he began filling in for tellers who were on vacation. After being elected an assistant cashier in January, 1948, Mr. Summerwill began working with consumer loans when Iowa State Bank became interested in that growing area of business.

It was in that capacity that he worked with bankers in Davenport, Mason City, Des Moines, Cedar Rapids and other parts of the state to organize an Installment Loan School. That school developed further lending courses and now has become the Iowa School of Banking that is conducted for two-week sessions each summer at the University of Iowa.

Mr. Summerwill was elected to the Iowa State B&T board of directors in January, 1950, became a vice president in 1953 and was elected president in January, 1969. In January, 1978, he moved up to chairman and CEO, and served as CEO until April, 1984. As noted above, he will continue as chairman.

Mr. Summerwill has been active for a number of years in the Iowa Independent Bankers. In 1964 he attended the IBAA International Banking Summer School in London and Oxford, England, for two weeks. He served on the IIB legislative committee and was IIB president in 1974-75.

He has also been active in the Iowa Bankers Association where he served on the legislative committee several times. Currently, he is on the board of ITS, Inc.

### Atlantic Bank Adds Two

Norwest Bank Atlantic, N.A. has recently announced the addition of two members to their staff.

Lanny Benishek has been appointed assistant vice president in the loan department. Mr. Benishek was previously a bank examiner for the Iowa Department of Banking.

Alan Seehusen was hired as assistant vice president in the ag loan department. Previously, he was employed by Farmers Home Administration, USDA as county supervisor for Cass and Pottawattamie counties.

### Marion Bank Sponsors Three

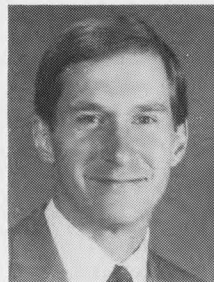
Farmers State Bank, Marion, has contributed to the sponsorship of

three high school sophomores selected to attend a Young Iowa's Leadership Seminar. They are Corey Martin of Linn-Mar, Elizabeth Wheeler of Alburnett and Kelly Langfitt of Kennedy.

The seminar is a project of the Hugh O'Brian Youth Foundation. In 1958, actor Hugh O'Brian, inspired by a visit with Dr. Albert Schweitzer, established the foundation for the purpose of assisting youth in recognizing and developing leadership potential.

### VP Named at Waterloo

E. Michael Farrell has joined Peoples Bank and Trust Company of Waterloo as vice president/administration and controller of the bank. Mr. Farrell is a certified public accountant who has worked at a local public accounting firm as well as serving as a chief financial officer in the Waterloo financial industry for the past ten years. In his position at Peoples Bank and Trust he will be responsible for investments, asset-liability management, operations and marketing.



M. FARRELL

### Elected in Independence

Gary Short has been elected president of Security State Bank of Independence at the board's 44th annual stockholders' meeting last month. He fills the vacancy created by the resignation of C.A. "Cy" Handfelt, who had been president for nine years.

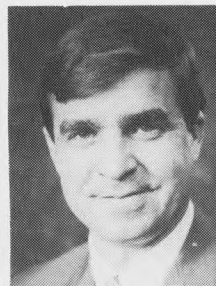
Mr. Short previously served as ex-



G. SHORT



C.A. HANDFELT



M. BROWN

ecutive vice president of the bank, a position he has held since May, 1982. He joined the bank in 1968 as a loan officer and is a graduate of Iowa State University.

Mr. Handfelt will remain as a trust officer at Security State Bank and as president of Independence Bancshares Inc.

The following promotions were also announced at the meeting: James L. Walker from vice president and senior loan officer to senior vice president; Gerald R. McCalley from vice president to senior vice president, and Craig Coffman from assistant vice president to vice president. In addition, Howard Rawson was elected chairman and Martin Brown of Independence was elected to the board.

### Six AIB Chapters to Pilot Accreditation

The five Iowa chapters of the American Institute of Banking and the Denver, Colo., chapter of AIB have been selected to pilot ABA's accreditation process this year. The Iowa chapters are Des Moines, East Central, Iowa Valley, Sioux City and Waterloo. The Iowa chapters are coordinating their efforts statewide, with a team that includes the state AIB committee, the Iowa Bankers Association and representatives from each chapter. All the pilot chapters are currently undertaking their self-evaluation; site visits will be conducted this fall.

As previously announced, the accreditation process is also being piloted in state association programs this year. Self-evaluations are in progress and site visits are scheduled for the Wisconsin schools (general banking and commercial lending) in June, and the Northwest banking schools (intermediate, commercial lending) in August.

Depending on pilot results, the ABA accreditation process will be available in 1986 to AIB chapters and affiliated state schools that wish to initiate the process. As a tie-in with the accreditation process, ABA is working to obtain credit recommendations for a whole series of AIB courses and state school programs through the American Council on Education (ACE). ABA is working with ACE's Program on Noncollegiate Sponsored Instruction (PONSI), and hopes to complete this effort by the end of 1985.





Michael J. DeLoose, dir. of CSBS Performance Standards Committee, presents the Certificate of Accreditation to Superintendent of Banking Thomas Huston (left) and Governor Terry Branstad.

## CSBS Accredits Iowa Department

ON June 12 the Banking Department of the State of Iowa became the second state bank regulatory agency in the nation to receive formal certification under the State Banking Department Accreditation Program of the Conference of State Bank Supervisors (CSBS).

The Certificate of Accreditation was presented by Michael J. DeLoose, director of the CSBS Performance Standards Committee, to Governor Terry Branstad and Superintendent of Banking Thomas Huston. Mr. DeLoose stated, "This certificate indicates that the Iowa Banking Department conforms to the highest standards of bank supervision and regulation." He added, "The core of effective duality lies in effective, responsive bank regulatory systems at both state and federal levels." Mr. DeLoose concluded, "This new, highly professional performance evaluation program demonstrates in the most concrete fashion that state banking departments are worthy of the expanded responsibilities being placed on them."

The Illinois banking department recently became the first agency to receive CSBS accreditation. A number of states are in the initial self-evaluation phases while others are in various stages of the formal review process.

In making his presentation, Mr. DeLoose expressed the CSBS found unanimously that the Iowa banking department "conforms to the high-

est standards of bank supervision and regulation." He also recognized Superintendent Thomas Huston for ten years of "superior leadership" representing "a unique combination of banking, farming and regulatory experience."

The CSBS State Banking Department Accreditation Program has two basic goals—to strengthen state banking department capabilities to assure the safety and soundness of banking within each respective state, and to achieve recognition in Congress, the federal agencies and within each state of the high level of capability within the state bank regulatory system.

The Accreditation Program involves a comprehensive review of the critical elements which confirm a banking department's ability to discharge its responsibilities, through investigation of the department's administration, finances, personnel policies and practices, training programs, examination and supervisory procedures and statutory powers. The process involves several steps:

First, a state banking department undergoes a self-evaluation process, based on documentation and criteria established by the CSBS Performance Standards Committee (PSC).

Second, upon the department's request, an Accreditation Review Team appointed by the PSC conducts a thorough on-site examination of the department and reports its findings to the committee.

Third, those findings are reviewed

thoroughly by an Audit Group to assure a high level of discipline in each review, a consistency of discipline between reviews and compliance with standards and procedures required by the PSC.

Finally, if both groups report positively, the PSC recommends to the CSBS Board of Directors that a certificate be issued and the Board takes final action.

## Massena Executives Named

Mike Keim has been named president and chairman, and Ed Young has been named executive vice president and chief executive officer of Union National Bank, Massena, (formerly Farmers Savings Bank). Other new officers include: Marty McCartney, vice president and director; Ivan Husa, vice president, and Sara Thornton, cashier and director.

Mr. Keim led the group of investors that purchased the failed Farmers Savings Bank and is also president and chairman of Corn Belt Bancorporation. He is affiliated with banks in Thurman, Griswold and Correctionville as president and chairman.

Mr. Young previously served as agricultural loan officer at National Bank Dyersville. Prior to that he was branch manager at the Production Credit Association in Indianola.

Mr. McCartney has been vice president and director at United National Bank of Iowa, Sidney, for the past three years, and will continue in that capacity.

Mr. Husa served as vice president and head of ag loans at Griswold State Bank from 1983 to 1985, when he was made executive vice president. Previous to that he worked at the PCA in Red Oak.

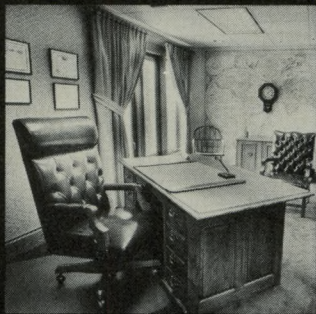
Ms. Thornton previously served as cashier for Griswold State Bank. She will continue in her present position as an independent consultant.

## Waterloo Names Officer

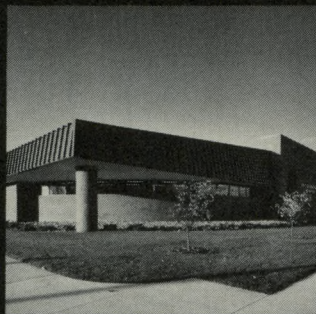
Richard C. Bueneke has been named consumer loan officer at the Waterloo Savings Bank.

Mr. Bueneke began his banking career in 1972, at Maynard Savings Bank serving in several positions, most recently as vice president and branch manager. In 1983, he was named assistant vice president-cashier and manager of the Insurance Agency with Peoples Savings Bank, Elma.





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## Des Moines

**J. Locke Macomber**, chairman of Valley National Bank, announced the election of **Stanley R. Engel** to vice president in the lending division, **John K. Weiland** to assistant vice president, **Kathleen Kruidenier** to trust investment officer and **Tim Heuss** to consumer lending officer.



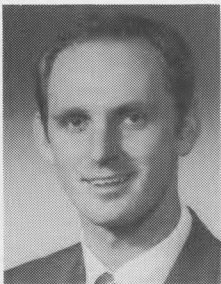
S.R. ENGEL



J.K. WIELAND



K. KRUIDENIER



T. HEUSS

Mr. Engel was previously assistant vice president with First National Bank & Trust Company of Bismarck, N.D. He graduated from the University of North Dakota with a BA in banking.

Mr. Weiland joined the bank in 1982 as credit analyst. He was promoted in 1984 to commercial lending officer. He graduated from the University of Iowa with a BBA in finance.

Ms. Kruidenier has had diverse investment experience working for

both Merrill Lynch and Dean Witter Reynolds Incorporated. She attended Drake University.

Mr. Heuss had been credit manager for Norwest Financial Corporation in Carroll. He is a graduate of Central College in Pella, with a BA in systems management.

\* \* \*

**James H. Ramsey** has been elected installment loan officer and credit card manager at Hawkeye Bank & Trust.

Mr. Ramsey joined the bank in 1984 as an officer trainee. He is a graduate of Iowa State University.

\* \* \*

**David N. Walthall**, president of Hawkeye-Capital Bank & Trust and senior vice president of Hawkeye Bancorporation, has been named vice president of Heritage Communications Inc., Des Moines, and president of the Communications Products Group, effective August 1. Communications Products Group is comprised of several Heritage subsidiaries located in Ohio, Indiana, Florida, Minnesota, Missouri and Texas.

Before joining Hawkeye-Capital in August of 1982, Mr. Walthall was president of State Bank and Trust in Council Bluffs and previously worked for Hawkeye Bank and



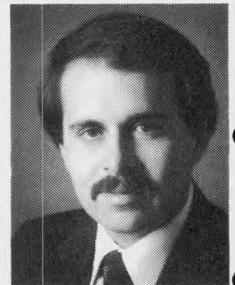
D.N. WALTHALL

Trust of Des Moines as senior vice president. Prior to that, he was affiliated with Norwest of Des Moines. Mr. Walthall is also currently a director of the Iowa Bankers Association and chairman of group six.

\* \* \*

**Terry Wilhelm** has recently been appointed as mortgage loan officer of United Central Bank, N.A.

Mr. Wilhelm came to United Central Bank from Wilhelm Homes, Inc., Dyersville, where he was a partner in the family business and held the position of home builder dealer. Prior to this, he held the position of mortgage loan officer at United Federal Savings and Loan in Des Moines.



T. WILHELM

## Urbana Savings Closed, Reopens as Branch

Urbana Savings Bank was closed Friday, June 21, by Superintendent of Banking Thomas Huston. The closing of the 84-year old bank was blamed on "excessive loan losses" and the inability of management to sell the institution or find new money to stabilize its condition.

Shortly after the bank was closed it was announced that the Urbana bank and its offices in Brandon and Shellsburg would reopen the following Monday as branches of Peoples Bank and Trust Co. of Cedar Rapids. Peoples Bank presently operates five locations in Cedar Rapids metropolitan area, in addition to a full-service branch at New-hall.

Peoples Bank and Trust will pay the FDIC a purchase premium of \$202,101 and will assume approximately \$6.4 million in 4,700 deposit accounts of Urbana Savings. It also will buy the failed bank's installment loans, real estate loans and certain assets for \$4 million. The FDIC said it will advance \$2.2 million and will retain assets of the failed bank with a book value of about \$3.1 million.

Except for the change in ownership, only minor staff changes are anticipated, according to Ted J. Welch, chairman of Peoples Bank and Trust, Cedar Rapids.



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- The Protector plans provide your customers with quality, convenient and affordable health insurance.

- The Protector health insurance program provides your bank with a way to increase customer loyalty and revenues.
- The Protector plans can attract new customers.
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## UCB Adopts First Interstate Name

**D**URING a special ceremony in Des Moines on June 24, United Central Bancshares, Inc., executives officially announced that UCB had changed its name to First Interstate of Iowa, Inc., and raised the First Interstate sign to the top of UCB headquarters building at Seventh and Locust in the center of downtown Des Moines.

UCB simultaneously changed the names of each of its 13 banks with 37 offices to First Interstate Bank as part of the franchise agreement announced earlier. The agreement permits UCB and its affiliate banks to access and use any of the services and products developed by First Interstate Bancorp, headquartered in Los Angeles. UCB, with assets exceeding \$1 billion, initiated discussions with First Interstate for the FI franchise in Iowa early in 1984. The final agreement was signed and announced earlier this year.

Kenneth M. Myers, chairman and chief executive officer of UCB, now First Interstate of Iowa, Inc., was joined at the June 24 ceremony by Edward M. Carson, president of First Interstate Bancorp. Following the announcement and sign-raising ceremony, local business executives were guests of the bank at a luncheon.

Both Mr. Myers and Mr. Carson stressed the value the franchise arrangement will bring to Iowa through expanded services and products that are available through the

First Interstate group. (See June NORTHWESTERN BANKER, pgs. 20-22.)

First Interstate of Iowa, Inc., has the right to extend its franchise to

### Hills Bank Recognizes Two

Hills Bank and Trust Company, Hills, has recently announced the appointment of Thomas L. Kriz as assistant cashier and the addition of Kevin Bernhardt to the staff.

Mr. Kriz joined the bank in 1984 and has recently completed officer

training. He will work in the Iowa City office.

Mr. Bernhardt has started in the general bank officer training program at the main bank office in Hills.

### Eldora Bank Promotes One, Finishes Expansion

Hardin County Savings Bank, Eldora, recently announced the promotion of an officer as well as the completion of its extensive remodeling and redecorating of the main office, with expansion into the adjacent building.

Kenneth E. Newby was promoted to the position of assistant vice president. Mr. Newby is associated with the branch office of the bank at the Union-Whitten-Liscomb location.

An open house was given to celebrate the completion of the remodeling project at which refreshments were served, complimentary "Thank You" mugs were given to bank customers as a token of appreciation, and a drawing was held for script money to be spent with local merchants.

### VP Named in Winterset

Union State Bank of Winterset has named Sherry A. Tolley an assistant vice president. Ms. Tolley has served the bank in various capacities since becoming a member of the staff in 1968.

## Board Elected At AIB Annual Meeting



**THE** Des Moines chapter of AIB held their annual dinner meeting June 6, 1985 at the Hotel Savory in Des Moines. The agenda included an address by Jim West, state chairman of Iowa and the election of the following officers to the AIB board: (From left to right) Chmn.—**Michael R. Carley**, Hawkeye-Capital Bank and Trust; Secy.—**Kathy Kelley**, Hawkeye Mortgages; V.P. for Education—**Mark Killian**, Valley National Bank; Pres.—**Mary Greco**, United Central Bank; V.P. for Finance—**John Helgerson**, UCB Systems, Inc.; and V.P. for Marketing—**Kay Riley**, Hawkeye-Capital Bank & Trust.





MIDWAY Bank & Trust of Cedar Falls (pictured above) has merged with Iowa National Bankshares Corp.

## Iowa National Bankshares Corp. Acquires Cedar Falls Bank

**M**IDWAY Bank & Trust, with two offices in Cedar Falls, has been acquired effective June 1, by Iowa National Bankshares Corp, the parent holding company of the National Bank of Waterloo, through a stock exchange.

The Waterloo-based holding company now has consolidated assets of over \$350,000,000 and a capital base of over \$26,000,000. Midway Bank & Trust had assets of \$38,023,000 at 1985 year-end and held deposits of \$34,167,000.

Both banks will continue to operate independently with no management or personnel changes anticipated. Over the years, Midway Bank & Trust has been a user of many of the services of the National Bank, including data processing, and now will expand its other customer service areas.

### Waterloo Promotion Told

● Chuck Yagla, previously management trainee at the National Bank of Waterloo, has been promoted to the position of marketing representative for the National Bank of Waterloo's data services division.

● Mr. Yagla began working for National Bank of Waterloo in 1983, spending most of his time training in various departments throughout the bank.



C. YAGLS

His most recent assignment was an assistant in the bank's auditing department.

### Merger Effective in Ames

The merger between Union Story Trust & Savings Bank and University Bank and Trust, Ames, became effective June 22. The new bank will assume the name United Bank and Trust and will operate under a state charter.

With the merger, the new bank will have assets of approximately \$115 million, and provide greater efficiency in customer operations and expanded financial services to customers.

The main office of United Bank and Trust will be the former Union Story main location at 405 Main Street. Branch offices will be located at 2546 Lincolnway in Campustown (main office of University Bank), the North Grand Mall and in Gilbert. The University Bank downtown branch will remain open for an undetermined amount of time.

Larry Wenzl will be chairman, president and CEO, with William R. Hurd, vice chairman of Union Story, and Robert O. Grathwohl, president of University Bank, both becoming executive vice presidents.

### Melbourne Bank Names Pres.

James C. Anderson has recently been appointed president of the Melbourne Savings Bank, Melbourne. Mr. Anderson replaces John L. Calton who has resigned to pursue other interests.

## Eddyville Office Recognized For Service

James E. King, president of Peoples National Bank & Trust Co., Albia, recognized the Eddyville office for serving the Albia community for 78 years as well as being in Eddyville for 25 years.

A two-day open house with refreshments was given to celebrate the occasion.

## Sioux City Promotes VP

First National Bank in Sioux City has announced the promotion of Roma A. Kroll to vice president in the commercial lending department.

Ms. Kroll has held a variety of positions since joining the bank in 1974, serving most recently as assistant vice president and manager of the investment department.



R. KROLL

## Spencer Bank Adds V.P.

Alan L. Ploeger recently joined the Farmers Trust and Savings Bank, Spencer, as vice president of agricultural loans.

Mr. Ploeger has seven years banking experience. Before joining Farmers Bank, he was vice president of agricultural loans at Hawkeye Bank and Trust, Humboldt and First National Bank, Mason City.

## Norwest Bank Relocated

Norwest Bank Fort Dodge, N.A. has recently moved its main office from 18 North Ninth Street to 822 Central Avenue.

## Council Bluffs Adds Officer

Rick Hagge has joined First National Bank of Council Bluffs as an agricultural loan officer, according to Tony Payne, president.

Prior to joining First National Bank's staff, Mr. Hagge was a loan officer with Fillmore County Bank in Geneva, Neb.



R. HAGGE



# Iowa Independent Bankers Annual Convention

July 18-20  
The New Inn, Okoboji



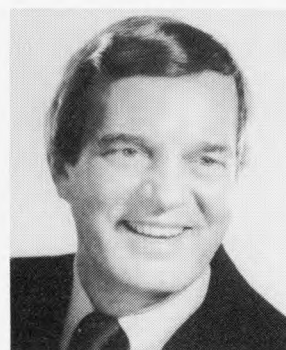
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President



**L. GRIMSTAD**  
Vice President



**J.D. STEVENSON**  
Treasurer



**R.W. BERGLUND**  
Exec. V.P.

“**I**OWANS Helping Iowans” is this year’s theme for the Iowa Independent Bankers annual meeting and convention to be held July 18-20 at The New Inn, Okoboji. Ned K. Job, IIB president and president of Iowa State Savings Bank, Knoxville, will preside.

Assisting Mr. Job this past year as officers were Larry Grimstad, IIB vice president and executive vice president of Security Bank & Trust, Decorah, and Jock D. Stevenson, IIB treasurer, and president of First Trust and Savings Bank, Cedar Rapids. Richard W. Berglund, a Des Moines attorney, continues as executive vice president of IIB.

A wide variety of social and business activities have been planned at this year’s convention for all ages. The program schedule follows:

## **P.M. Thursday, July 18**

Noon Registration-Lobby of The New Inn (until 6:00 p.m.).  
Couple’s Golf Tournament-Brook’s Golf Course.

5:00 Young People’s Gathering—Children have been divided into age groups for greater enjoyment of activities. Teen-agers: Volleyball Tournament and Pork-Out. Little Ones: Tournaments, Games, Food and More!

5:30 Reception (adults only), The New Inn Poolside.

## **A.M. Friday, July 19**

Young people’s Fourth Annual Golf & Tennis Tournaments.

8:30 First general session—The New Inn Convention Center.

Call to order—Ned K. Job, IIB president and president, Iowa State Savings Bank, Knoxville.

Invocation.

- Welcome-Herman Richter, director of student affairs, University of Okoboji.

- Keynote Address—Ned K. Job, IIB president.

- Report Of The Executive Vice-President and General Counsel—“The Encore Is Tough,” Richard W. Berglund.

- “The Perils Of Interstate Ownership of Banks-The Real Nightmare”—Arthur Burck, president, Arthur Burck & Associates, Palm Beach, Fla. Question/answer session.

- “The State Of Banking In Iowa”—Thomas H. Huston, Iowa Superintendent of Banking, Des Moines, and president, Columbus Junction State Bank.

- “The Future Of Banking (And The Agricultural Economy) In Congress”—The Honorable Jim Leach, United States House of Representatives, First District of Iowa.

## **P.M.**

Noon Ladies Luncheon—The New Inn Lakeview Dining Room.

- Okoboji Summer Theater Group.

- “Iowa Flag”—Julia Job, Iowa State Savings Bank, Knoxville.

- “I Can ‘Bearly’ Wait To Tell You...”—Alice Huston, Columbus Junction.

12:30 Golf tournament - shotgun start—Okoboji Vu Golf Course.

## **A.M. Saturday, July 20**

8:00 Second general session—The New Inn Convention Center.

Call to order—Larry Grimstad, IIB vice president and executive vice president, Security Bank & Trust Co., Decorah.

“How To Survive The Debt Crisis And Other Farm Policy Disasters”—panel.

The Honorable Neal Smith, United States House of Representatives, Fourth District of Iowa; Bob Pim, state director, Farmers Home Administration, Des Moines; Thomas H. Olson, vice-president, IBAA, and president, Lisco State Bank, Lisco, Neb.; and





A. BURCK



J. LEACH



N. SMITH

John Chrystal, president and CEO, Bankers Trust Co., Des Moines.  
Moderator—Don Muhm, farm editor, *The Register*, Des Moines.

• “The View From Washington”—David S. Broder, political reporter, Pulitzer Prize winning author and staff member of *The Washington Post*.

• “Winners Don’t Turn It Over!”—Johnny Orr, head basketball coach, Iowa State University, Ames.

Annual business session—Ned K. Job, presiding.  
PAC reports.

Report of the resolutions committee—Chairman E.K. Johnstone, II, president, Keokuk Savings Bank & Trust Co.

Report of the nominating committee—Chairman A. Schultz, chairman and president, The Grundy National Bank, Grundy Center.

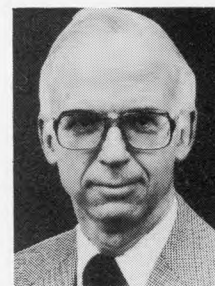
Election of officers.

Announcements.

Adjournment to registrants’ luncheon.



D. MUHM



D. BRODER

P.M.  
Noon

Registrant’s luncheon—(bank representatives), The New Inn Lakeview Dining Room.

Introduction and remarks of dignitaries.

• Michael Fitzgerald, Treasurer, State of Iowa, Des Moines.

• O. Jay Tomson, director, Federal Reserve Bank of Chicago, and chairman, Citizens National Bank, Charles City.

• B.F. (Chip) Backlund, IBAA president and president, Bartonville Bank, Peoria, Ill.

Golf awards.

For the spouses—While the bankers are attending the registrant’s luncheon, Grandview Room, The Lodge.

• “Mrs. Smith Goes To Washington”—Bea Smith, wife of Congressman Neal Smith, Fourth District of Iowa, Altoona.

Question/answer session.

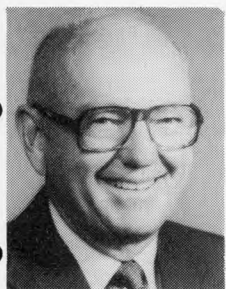
5:30 Social Hour, The New Inn Beach.

6:30 Barbecue, The New Inn Beach.

Fourth annual golf and tennis awards.

Prizes.

Couple’s golf awards. □



B.F. BACKLUND



B. SMITH

## Dubuque Gas Station First; Pay By Instant Access Card

The first gas station in Iowa to allow customers to pay for gasoline by using the same plastic cards they use to get money from automatic banking machines is the IOCO station at 20th and Jackson in Dubuque. On May 15th, the first transaction in Iowa was completed using an “Instant-Access” debit card from Valley National Bank in Des Moines.

The payment system is similar to the one used in 29 grocery stores in 10 Iowa cities, where shoppers run

their cards through readers at the check-out line instead of writing checks. The money is immediately taken from the consumer’s account and credited to the grocer’s account.

Gas customers insert their bank card in a point-of-sale machine, use a keyboard to tell the computer which of their accounts to debit for the gas, then pump their gas. The price of the amount pumped will be subtracted from the customer’s financial institution account.

Banks of Iowa Computer Services, Inc., of Cedar Rapids provides the on-line computer capability that links together the gas station ma-

chine, the customer’s account and the sponsoring bank, Dubuque Bank & Trust. Petroleum Equipment & Service of Marion supplies the gas station equipment.

## Gibson Bank Addition

Randy Pitman has recently joined the staff of the Gibson Savings Bank as a loan officer and will be responsible for helping service farm loans from both the Gibson and Deep River offices.

Mr. Pitman previously worked for the Central Iowa Production Credit Association for four years.

### Elected at Fort Madison

Charles J. Walker has been elected president of Fort Madison Bank & Trust Co. He succeeds A. Anthes Smith, who has been elected chairman. Clarence W. Smith, former chairman, has been named honorary chairman.



C.J. WALKER



A.A. SMITH



C.W. SMITH



T.H. MOHRFELD



M.P. MAHAN



J.R. NOLL, JR.

Also announced, Thomas H. Mohrfeld, vice president and business development officer, has been elected trust officer to succeed Mr. Walker.

Martin P. Mahan, assistant vice president and installment loan officer, was named business development officer.

James R. Noll, Jr., assistant vice president and River Hills office manager, will assume new duties as an installment loan officer in the main bank.

Mr. Walker started with Fort Madison Bank & Trust Co. as a vice president and loan officer in 1970. He was elected executive vice president in January, 1976, and named trust officer later that year. Prior to joining the bank, he served as an examiner for the Federal Reserve Bank of Chicago for seven years.

Mr. Anthes Smith joined the bank as president in 1967 after a number of years with two local industries, Anthes Force Oiler Co. and W.A. Sheaffer Pen Co. He has served as a director of the bank since 1956.

Mr. C.W. Smith has served on the bank's board since 1943, at which time he succeeded his father, Allen W. Smith, as a director. Mr. C.W. Smith was elected president in 1953 serving in that position until 1967, when he was named chairman.

Mr. Mohrfeld joined the Fort Madison bank in 1980 and previously was executive vice president of the Iowa State Bank, Fort Madison.

Mr. Mahan has been with the bank since 1977, primarily as an installment loan officer.

Mr. Noll joined the bank in 1976 and has managed its River Hills Office since 1979.

### Declining Farm Economy Deletes Hawkeye Dividend

Directors of Hawkeye Bancorporation, meeting at headquarters in Des Moines of the statewide multi-bank holding company, voted on June 17 to eliminate the August 1, 1985, cash dividend on common stock, which would have been paid to shareholders of record July 15. The regular quarterly dividend of \$.07 per share had been reduced previously from \$.26 per share, effective with the May 1, 1985 payment.

Paul D. Dunlap, president of Hawkeye, stated, "We regret the necessity of taking this action. It underscores the serious nature of the current agricultural plight facing the state of Iowa. Land values are still declining along with the prices of corn and soybeans, with no turnaround in sight.

"Consolidated loan losses in the second quarter of 1985 appear to be just as great as in the first quarter and the provision for loan losses will be increased accordingly. Under current conditions, shareholder value is best protected through the preservation of capital rather than through the payment of cash dividends. Therefore dividends on Hawkeye common stock will be eliminated until further notice. Dividends on the Company's cumulative preferred stock series, however, will be maintained."

Dunlap concluded, "We continue to believe in the long term outlook

for agriculture. Our recently announced program to provide \$100 million for first mortgages on farmland at up to 60% of current market value is a reaffirmation of our commitment to this philosophy. Hawkeye Bancorporation remains dedicated to the marketplace it serves and its loyal base of stockholders."

### Appointed at Somers

Charles Petersen, president of the Somers Savings Bank has recently announced the appointment of Kevin M. Black to the position of assistant cashier.

### Cashier Completes 25 Years

Jeanine Lenth has recently completed 25 years of service to the Postville State Bank. She was elected to the office of cashier in August of 1984.

### Marion Bk. Recognizes Three

Norwest Bank Marion, N.A., recently announced the promotion of Steve Knutson to vice president, ag business segment, and the appointment of Richard C. Carter as commercial loan officer.

Mr. Knutson has been with the bank since 1983 in the ag department.

Mr. Carter previously was affiliated with University Bank and Trust Co. of Ames.

The bank also announced Raymond F. Schirmer, vice president, has been elected president of the Iowa Young Bankers Association.

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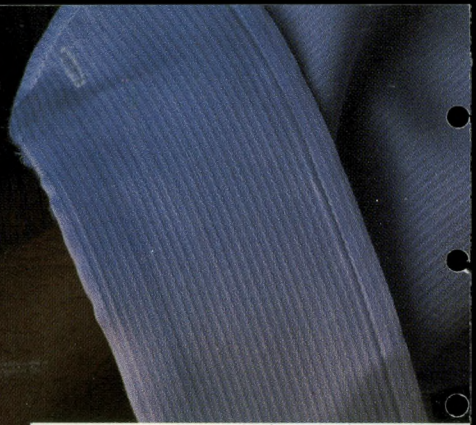
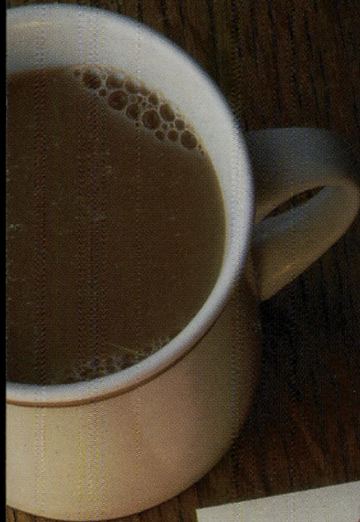
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