

# NORTHWESTERN *Banker*

OCTOBER  
1985



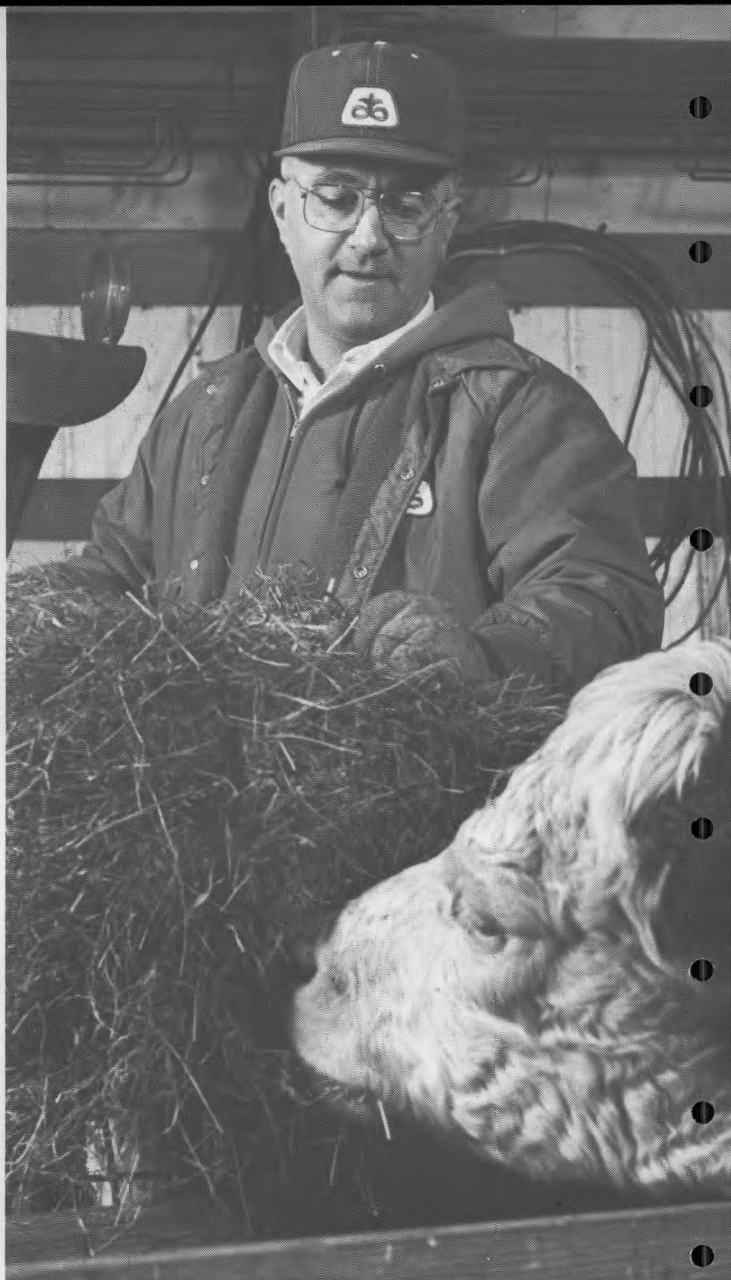
New Orleans  
Awaits ABA  
Convention



1985-86  
Iowa Officers  
Are Elected

- Capital directives - new weapons
- Myths about sales incentive programs





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## ON THE COVER

**THE** nostalgic elegance of Jackson Square in the New Orleans French Quarter provides an old world setting for the beauty of St. Louis Cathedral. These and dozens of other famous sights will be seen by thousands of bankers and spouses attending the American Bankers Association annual convention in New Orleans later this month. Program starts on page 19. **LOWER RIGHT**—1985-86 leaders of the Iowa Bankers Association are pictured just prior to the start of the annual convention in Des Moines last month. They are identified on page 51, along with the start of the Iowa convention report.

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No. 1465 Northwestern Banker (USPS 397-620) is published monthly by the Northwestern Banker Company, 1535 Linden Street, Suite 201, Des Moines, Iowa 50309. Subscription \$1.50 per copy. \$18 per year. Second Class postage paid at Des Moines, Iowa. POSTMASTER: Send all address changes to Northwestern Banker, 1535 Linden Street, Suite 201, Des Moines, Iowa 50309.

## Kennedy Named President At School of Banking

William H. Kennedy, Jr., past president of the American Bankers Association, has been elected president of the Graduate School of Banking at the University of Wisconsin-Madison and its Herbert V. Prochnow Educational Foundation.



W.H. KENNEDY

Mr. Kennedy succeeds Lee E. Gunderson who began his three year term as GSB president in 1982. Mr. Gunderson currently serves as national director, banking industry relations for Arthur Young & Co. in New York, and also is past president of the ABA.

Mr. Kennedy, who currently is chairman of the board, Worthen Banking Corporation, Little Rock, Ark., served for seven years as chairman of the National Bank of Commerce, Pine Bluff, Ark., and prior to that served 13 years as president and chief executive officer of NBC.

## Business Credit Firm Names Andy Sall E.V.P.

Andrew G. Sall, formerly president of First Bank Saint Paul, joined The Churchill Companies in Minneapolis as executive vice president a number of months ago to form an independent commercial finance company for the firm. The new subsidiary, Churchill Business Credit, Inc., now is in operation and Donald Matthew has been appointed its president.

Mr. Sall said Churchill Business Credit offers revolving credit loans secured by accounts receivable, inventories, equipment and real estate to companies who have been referred to CBC by the customer's bank. CBC's share of the loan is \$500,000 to \$2,000,000 with the referring bank usually participating 50% in the loan. Continuing commercial credit relationships are maintained with referring banks, Mr. Matthew stated, and CBC handles the business credit loan the same as traditional commercial finance asset-based lenders do.



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## Bank Promotions

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

**Algemene Bank Nederland N.V. (ABN Bank), Amsterdam:** The managing board announced last month that Henjo J. Hielkema was appointed chief general manager-inter-

national directorate for ABN, effective February 1, 1986. He will have responsibility for the bank's international banking activities, succeeding Eric O. Langelaar, who will retire from the ABN Bank in February.

Mr. Hielkema has been associated with the ABN/LASALLE group in the United States since 1979. He was regional manager for North

America, ABN Bank, from 1979 through 1983, with his office in Chicago. In October, 1983, he was named general manager-international directorate, Amsterdam. Mr. Hielkema has also been a member of the LaSalle National Bank of Chicago board of directors since that bank's affiliation with ABN Bank in August, 1979. Homer J. Livingston, Jr., president and CEO of LaSalle National, expressed pleasure at the "significant promotion" of Mr. Hielkema, and for the depth of experience brought to the corporation by Mr. Langelaar.

**Continental Illinois Corporation and Continental Bank, Chicago:** These five new executive vice presidents were announced last month—Leonard W. Busse, international banking; Kenneth K. Chalmers, special industries; William M. Goodyear, corporate and institutional banking—west; William L. Gunlicks, investment/merchant banking, and Michael J. Murray, corporate and institutional banking—midwest.

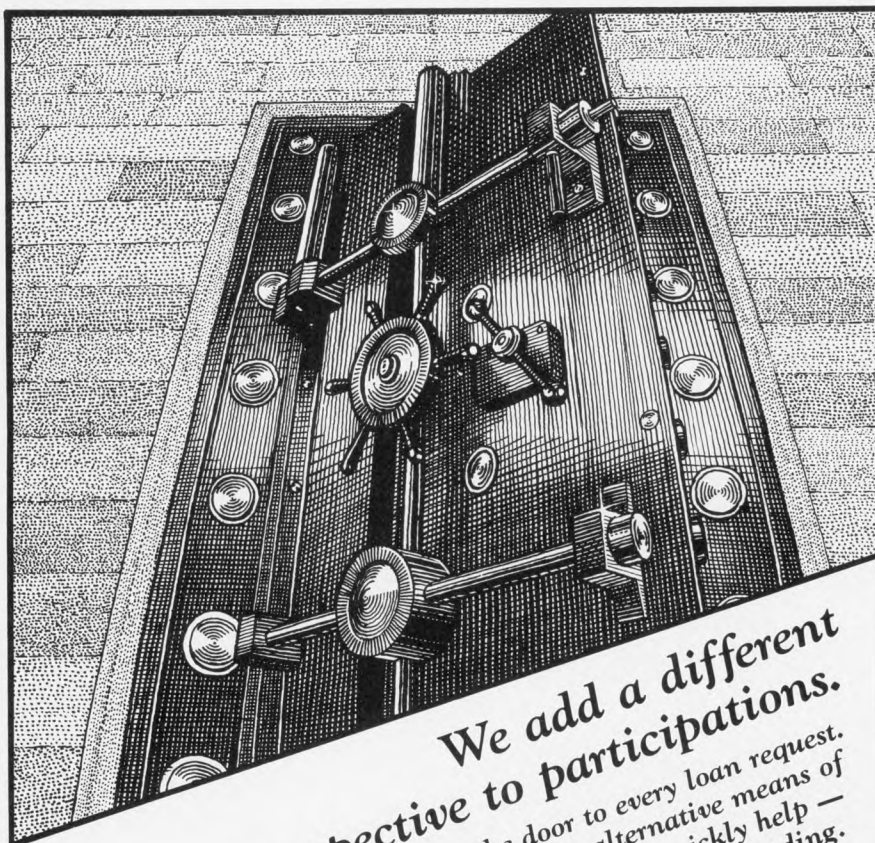
Mr. Busse, 47, has been head of international banking since last April. He joined the bank in 1963, was elected a senior vice president in 1981 and was named controller of the bank and corporation in 1984.

Mr. Chalmers, 55, joined the bank in 1956, became a senior vice president in 1982 and was named head of the special industries department in 1984.

Mr. Goodyear, 37, has been head of corporate and institutional banking—west since March, 1985. He joined the bank in 1972. He was named manager of the west coast regional offices in Los Angeles, San Francisco and Seattle and a senior vice president in 1984.

Mr. Gunlicks, 43, has been with Continental since 1967. He was appointed a vice president and manager of Continental's New York regional office in 1973 and became senior vice president in 1981 and manager of the mining, construction and utilities division. Last March he was named to head the investment/merchant banking department.

Mr. Murray, 41, has been head of the corporate and institutional banking—midwest department since last March. He joined Continental in 1969. He was named manager of the east coast regional offices in New York, Philadelphia,



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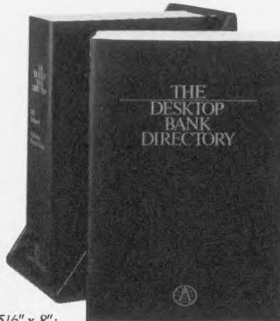
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White Plains and New England in 1981 and became a senior vice president in 1984 with responsibility for Chicago/midwest commercial banking.

It was also announced that David O. Nordby, 45, has left his position as executive vice president in charge of the credit policy department at Mellon Bank, Pittsburgh, to join Continental, succeeding Garry J. Scheuring as head of Continental's FDIC Asset Administration Department. Mr. Scheuring, also an executive vice president, will be responsible for a portion of the bank's corporate and institutional banking business.

**The Exchange National Bank, Chicago:** Expanding its service area for asset based

lending, The Exchange National has opened a business development office in Kansas City, Mo., headed by John Thiessen, who has joined the bank as vice president. Mr.



J. THIESSEN

Thiessen formerly was a senior vice president with Walter E. Heller & Company.

Walter M. Macur, executive vice president of The Exchange National, said Mr. Thiessen will be working with manufacturers and wholesalers in Missouri, Iowa, Kan-

sas, Nebraska and Oklahoma.

**First Interstate Bancorp, Los Angeles:** Robert G. Riddett, Jr., has been named president and chief executive officer of the Results Consulting Group, the management consulting subsidiary of the multi-state banking and financial services company. He succeeds A. Wayne Johnson, the new president and CEO of First Interstate Bancard Company, Simi Valley, Cal.

Mr. Riddett, 33, a co-founder of the Atlanta-based Results Consulting Group, was the managing principal of its eastern region.

**Northern Trust Company, Chicago:** Ardis Krainik, general manager of Lyric Opera of Chicago, has been elected a director of the holding company and its principal subsidiary, The Northern Trust Company. Her election increases the number of directors from 16 to 17.

Scott A. Moore recently was named a bond investment officer of The Northern Trust Company, serving in the bank sales division of the bond department. Mr. Moore holds a B.B.A. degree from Texas Christian University and joined the bank in November, 1981.

**United Missouri Bank of Kansas City, N.A.:** Malcolm G. Winne, president of the Lee Company in Kansas City, has been elected to the bank's board of directors.

David D. Miller has been promoted to executive vice president of

the bank, as well as elected a director of the holding company, United Missouri Bancshares, Inc. Mr. Miller has been with the bank since 1965. He has a MA degree in accounting and a law degree from Kansas University.

In the investment banking division, Jeffrey P. Goble and Greg Bernard were elected vice presidents and Carol Ging and Sandra J. Smith were named assistant vice presidents.

Mr. Goble is responsible for portfolio management. He joined UMB in 1981 after affiliation with a Lawrence, Kan., bank for two years. He has BA and MA degrees in Business Administration from the University of Kansas and also has attended courses in investments.

Mr. Bernard has primary responsibility for calling on Oklahoma banks regarding investments. He joined the bank in 1982 after previous employment with a local accounting firm. He holds his accounting degree from the University of Kansas and has completed the School of Bank Investments at the University of Oklahoma.

Ms. Ging joined the bank in 1971 after attending Southwestern State University in Weatherford, Okla., and Arizona State University. She is responsible for trading Fed Funds and repurchase agreements.

Ms. Smith joined the bank in 1967 after attending Northwestern Missouri State University. She is responsible for trading in government and agency securities.

Matthew G. Robinson, an employee of the bank since 1982, was promoted to assistant vice president in the metropolitan business development division. He holds a bachelor's degree in finance from the University of Kansas.

Also in the investment division, Joyce E. Chaney has been elected an underwriting officer where she is primarily responsible for bidding on municipal bond sales.

In the trust department of United Missouri Bank, R. Stephen Parris has been promoted to trust counsel with responsibility for reviewing trust documents and providing legal support for the department. He joined the bank after previous experience with a Kansas City law firm. He has a BA degree from Southwest Baptist University and a law degree from the University of Missouri-Kansas City.

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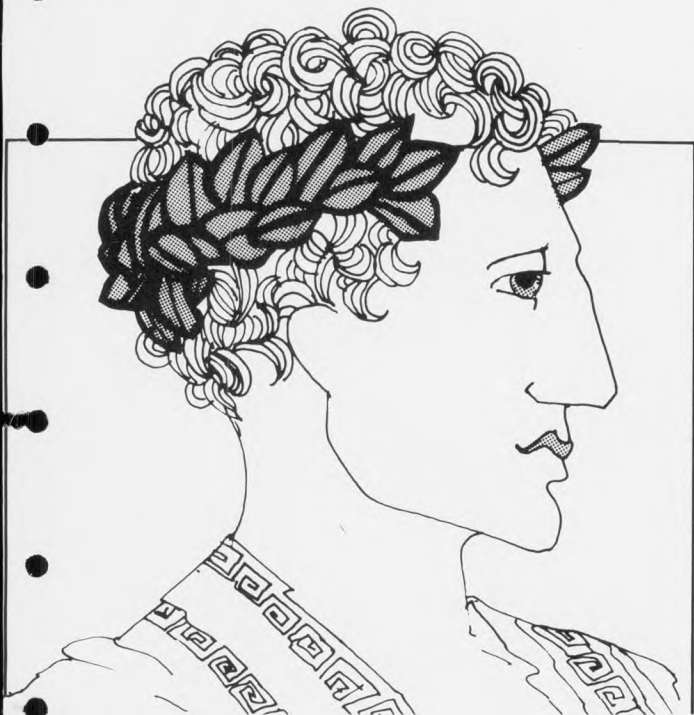
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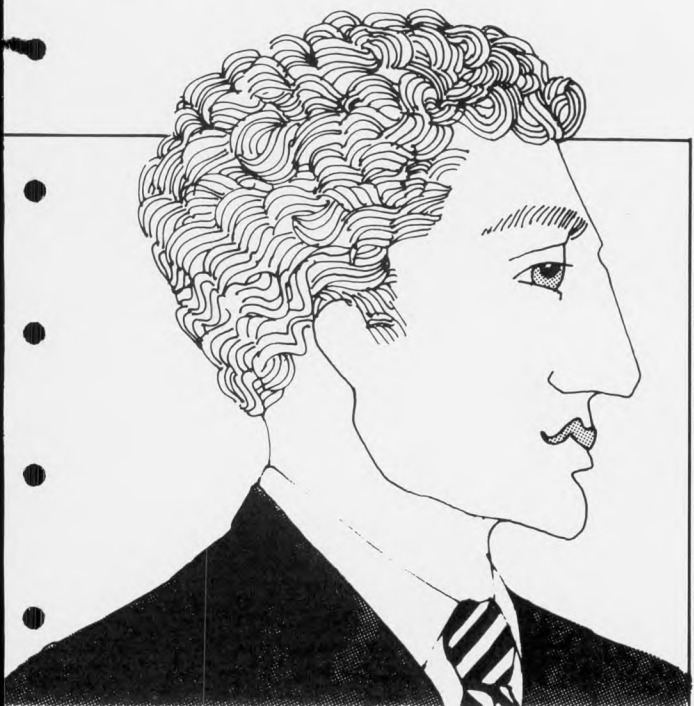
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**LEFT**—Greeting registrants was MASI exec. v.p. **Jim Potter**. **RIGHT**—Panel participants were, from left: **Dean A. Risa**, MISA cred. off.; **Larry Sidwell**, v.p. & MASI acct. exec. of Rabobank; **Carol Wormer**, MASI corp. secy.; **John Schwartz**, MASI In. rev. analyst, and **Joe Beresford**, v.p. & sr. cr. off. of Rabobank Nederland, New York office.

## MASI Conducts Ag Lending Seminar

**A** TOTAL of 76 lending officers from 58 banks in 12 states attended a special MASI Information Seminar in Des Moines recently. MASI (Mabsco Agricultural Services, Inc.) is the agricultural subsidiary of MABSCO (Mid America Bank Services Co.), the consortium of 12 midwestern state bankers associations. MASI headquarters are in Des Moines.

Registrants were welcomed to the one-day seminar by Jim Potter, executive vice president of MASI and chief operating officer at the Des Moines headquarters. Mr. Potter introduced a panel of five speakers who addressed the seminar during the day. They included:

G.I. "Joe" Beresford, vice president and senior credit officer of Rabobank Nederland in the New York office; Larry Sidwell, vice president and MASI account executive of Rabobank in the New York office; Dean A. Risa, credit officer of MABSCO; Carol Wormer, corporate secretary and administrative officer of MABSCO, and John Schwartz, retiring president of the Perry, Ia., PCA who had just joined MABSCO as a loan review analyst.

Mr. Beresford detailed Rabobank's interest in U.S. agriculture and MABSCO. He said "back in the late 1980's the first coop was born in Holland. In 1979 there was an amalgamation of all those coop banks to form Rabobank Nederland, with headquarters at Amsterdam. The central bank, Rabobank, is owned by the 950 coop member banks but Rabobank is charged with their regulation."

Mr. Beresford said "Rabobank understands agriculture and is dedicated to agriculture from its most senior officer to the lowest staff member. Rabobank does 90% of the ag lending in Holland, but this volume represents only one-third of its loan portfolio. Another third is in international and the last third is in mortgage lending and commercial lending."

Mr. Beresford said the New York office made its first loan in 1981. "Our aim is to become as expert in the agriculture business worldwide as possible," he stated. "Since the New York office opened, we have opened a German office in Antwerp, and the London and Singapore offices are opening now."

Mr. Risa reviewed the loan criteria in one session for farm and ranch loans and in a second session discussed the Participation Notice and Participation Certificate. His third part of the meeting described the MASI audit of originating banks.

Mr. Sidwell reviewed the loan criteria for agribusiness at one point, and gave the final briefing on Delinquent and Defaulted Loans.

Ms. Wormer discussed MASI's operating procedures, detailing the procedure for getting rate quotes and for communicating with MASI headquarters personnel.

Mr. Potter discussed MASI's new details for handling applications to MASI under the FmHA Guaranteed Loan Funding Program.

After a luncheon meeting, registrants were invited to tour the MASI headquarters offices. □

## Cleveland Fed Bank Examiner Joins IBAA

The Independent Bankers Association of America has announced that Diane M. Casey has joined its Washington staff as federal regulatory liaison. Ms. Casey will cover all Federal regulatory issues which relate to community banks and will be responsible for communicating IBAA's viewpoint on those issues to the bank regulatory agencies.

Prior to joining IBAA, Ms. Casey was a senior bank examiner with the Federal Reserve Bank of Cleveland where she specialized in the consumer affairs area. Her participation in the Ohio savings and loan crisis resulted in her receiving a president's award from the Federal Reserve Bank of Cleveland.

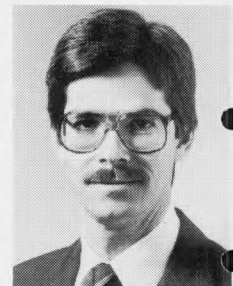
Ms. Casey is a native of Cleveland, Ohio, and a graduate of Miami University, Oxford, Ohio.

## Commerce Bancshares Forms Home Mortgage Subsidiary

Commerce Bancshares, Inc., Kansas City, Mo., has announced the formation of a

wholly owned subsidiary, Commerce Mortgage Corp., which will be primarily engaged in the origination of residential real estate mortgages.

Services of the mortgage corporation will be offered through the more than 100 plus Commerce locations throughout Missouri. Patrick Lawler has been named president of the new subsidiary.

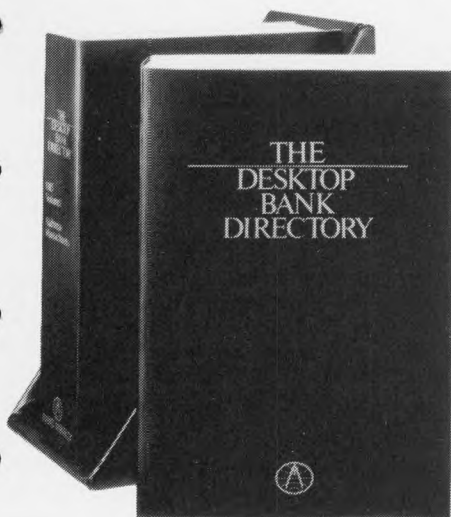


**P. LAWLER**



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Individual bank listings include such information as full legal title; charter type; address and phone number; ABA routing number; correspondents; financials; all branch offices; and a group of key officers shown with the functions they perform. Holding company ownership also is provided, giving a more complete picture of the bank's structure and competitive stance.

The set is vinyl-bound, stored in a convenient slipcase, and each 5½ x 8" volume is easy to handle and use. *The Desktop Bank Directory* is published annually and lists for \$49.95 per set. Standing order subscriptions with automatic reorder privileges are available, as well as single copies. Substantial quantity dis-

counts are offered for orders over 15 copies.

Further information can be obtained by calling Rand McNally's Financial Publishing Division at (312) 673-9100, or writing P.O. Box 7600, Chicago, IL., 60680.

### Norwest Offers 401K Package to Small Business

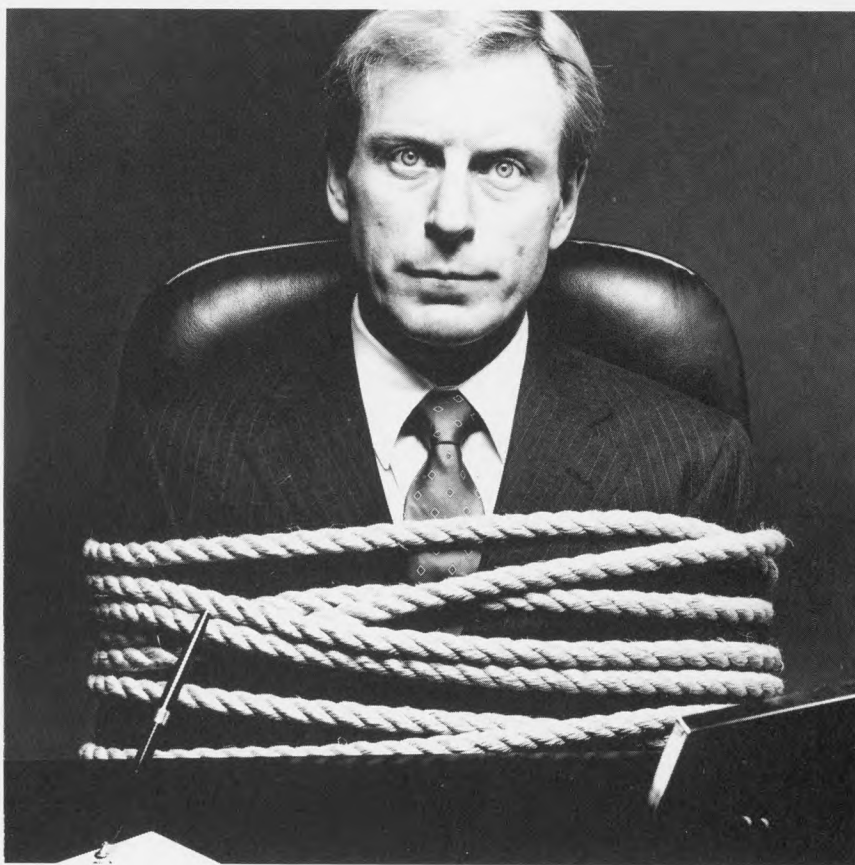
Norwest Corporation, Minneapolis, has introduced Norwest Horizon, a comprehensive 401(k) employee

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ENJOYING themselves during the annual Market Day At The Yards are co-sponsors of the event: left, **John Karns**, chmn., First Stock Yards and **Bill Manring**, v.p., First Natl., St. Joseph. Second from right is keynote speaker, **Gail Tritle**, exec. v.p., United Stockyards Corp., St. Paul, with **James F. Reynolds**, pres. & gnrl. mgr., St. Joseph Stockyards.

## 29th Annual Market Day At The Yards

By **ROBERT O. CRONIN**  
Associate Publisher

**"IT'S HARD** to find a sector in agriculture that's doing well." This comment by Gail Tritle, executive vice president, United Stockyards Corporation, St. Paul and keynote speaker, prefaced the annual Market Day At The Yards in St. Joseph, Missouri held last month. The afternoon conference, co-sponsored by First Stock Yards Bank and First National Bank, St. Joseph, attracted nearly 250 participants.

The event came at a time when livestock and grain prices were at seven year lows and the condition of rural America was in serious trouble. According to Mr. Tritle, who coined a phrase from "The Music Man," "There's a trouble right here in River City." Mr. Tritle said excess capacity and poor marketing have hurt agriculture.

In looking ahead, Mr. Tritle pointed out three areas that could affect the future of agriculture: 1. Efficiency in farming and farm management. 2. Risk management of livestock. 3. Structure of agriculture. In addition, Mr. Tritle said United Stock Yards has a special program that features paying a farmer for his labor and the use of his land while producing livestock.

Under this program, a "supervisor," another qualified hog producer, assists the farmer in maintaining conversion ratios and low death losses, while maximizing profits. Mr. Tritle said, "We're beating the losses with this program and seeing a \$4-\$5 profit per hog."

An informative panel discussion, moderated by James F. Reynolds, president and general manager, St. Joseph Stock Yards, included comments from: Bradford A. Schultz, operations manager, The Pillsbury Company; Bill Simmons, Cecil

Baker Livestock Company, St. Joseph, and Larry Ricks, MFA Livestock Commission Company, St. Joseph. □

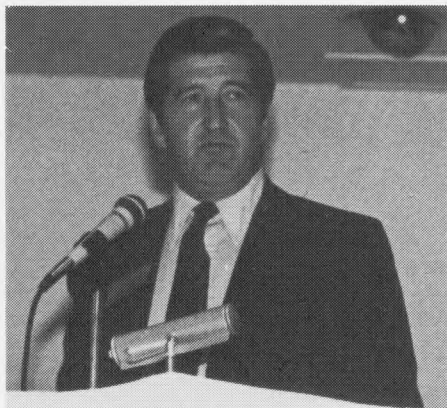
### Opens Florida Office

Gerald "Jerry" Gross, president of Kirk Gross Company, Waterloo, announced recently that the company has expanded its services to include Florida. Kirk Gross Company specializes in design, construction and remodeling of financial facilities, utilizing the "Turn Key" concept. This incorporates the work of architects, office planners, interior design specialists and builders as one unit to assure that all phases of the project are complete, correct and functional, Mr. Gross stated.

Kirk Gross Company is a leading turn-key designer and builder of financial facilities in the midwest with over 260 projects. One of its latest projects is completion of the NCNB Facility in Lake City, Fla. The company's representative in Florida is Scott Fetner, Jr., who has an industrial engineering degree from Purdue University and has worked in the construction field for a number of years. Mr. Fetner is responsible for marketing and developing financial facilities throughout Florida, with headquarters in Pensacola.

### First Bank System Cuts All South African Credit

First Bank System, Inc., Minneapolis, which has a formal policy against extending credit to the government of South Africa, announced recently it also will no longer make credit available to private borrowers in that country.



**LEFT**—Presenting his views on the agricultural situation is speaker, **Gail Tritle**, exec. v.p., United Stockyards Corp., St. Paul. **RIGHT**—**James F. Reynolds**, pres. & gnrl. mgr., St. Joseph Stockyards takes a question for the panel discussion which featured, left, **Larry Ricks**, MFA Livestock Commission Co.; **Bill Simmons**, Cecil Baker Livestock Co., and **Bradford A. Schultz**, operations mgr., The Pillsbury Co.



## Golden Knights Drop in on Waterloo



A PLEASED Gov. Terry Branstad (center) listens while Jerry Gross visits with his daughter, Andrea, after she and six fellow Golden Knights parachutists "dropped in" for a buffet reception at Kirk Gross Co. headquarters in south Waterloo.

**W**HEN Andrea Gross told her father, Jerry Gross, president of Kirk Gross Co. in Waterloo, that she'd drop in on the buffet reception her father was hosting September 18, she wasn't kidding. She literally dropped in!!!

Andrea and six of her fellow members of the United States Army Golden Knights parachute demonstration team scheduled a jump from their plane at 13,500 feet, then thrilled a crowd of 500 people assembled at Kirk Gross headquarters as they joined hands at 200 mph, separated on signal downward, then

landed precisely on a two-foot square target 50 feet from the cheering crowd.

Enjoying the excitement of the performance along with Andrea's parents, Jane and Jerry Gross, was Iowa Gov. Terry Branstad, who congratulated the Golden Knights on their precision performance. The landing field was the open field adjacent to Kirk Gross Co.'s five-year-old headquarters building in south Waterloo.

As related in an earlier issue of the *NORTHWESTERN BANKER* (Jan. 1985, pg. 66), Andrea joined the Army after one year at the University of Northern Iowa and has reenlisted for another three-year term to remain in the Golden Knights. She is stationed with the Golden Knights at Fort Bragg, N.C. In 1983, Andrea was one of 100 women among 6,000 paratroopers who parachuted into Grenada, and was the only woman in her particular troop of 60 soldiers.

Her skill as a parachutist, and that of the entire Golden Knights team was well demonstrated when she "dropped in for dinner" at her father's plant!

### BMA Promotes Jane Cooney

Jane Cooney, director of Information Services Department of the Bank Marketing Association, Chi-

cago, has been promoted to vice president, it was announced by Raymond M. Cheseldine, executive vice president.

### 'Incredible' Buyer Response To Purchase 28 FBS Banks

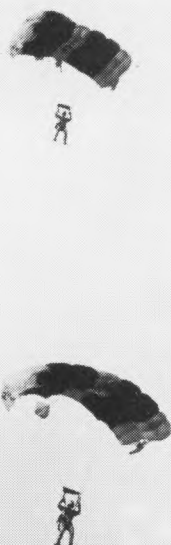
Within a short time after First Bank System announced at its Minneapolis headquarters that it plans to sell 28 of its 78 banks and trust companies, FBS had received an "incredible" number of replies, according to Robert Anderson, executive vice president. As announced by FBS earlier, the multi-bank holding company is offering the opportunity first to the directors, management and employees at each of the banks to purchase their respective banks using First Bank System financing.

By late September, FBS officials had been notified of definite interest in buying from directors and staff at practically all the banks. In addition, local community interest in sharing in the stock purchase was reported extremely high so that the banks could be returned to local ownership.

In addition, FBS reportedly has been deluged with inquiries and definite offers from outside buyers interested in purchasing one or more of the banks.

First Bank System initially had set October 1 as the deadline for local bank directors, officers and employees to express their wishes. Because many of them are pursuing the offer to buy in a formal way, extensions of two to three weeks have been requested in many cases.

When the announcement was made initially to sell the banks, FBS President D.H. (Pete) Ankeny, Jr., said the 28 banks in four states of Minnesota, Montana, North Dakota and South Dakota account for only eight percent of FBS' total assets of \$22 billion at year-end 1984. He said FBS directors took this revolutionary step to allow the firm to restructure its banking assets since "it is vital that we concentrate on those activities and markets where we, as a multistate banking system, have a distinct competitive advantage and where we can bring real added value to our customers. (This) announcement is consistent with our long-range strategy to be one of the premier regional bank holding companies in America."



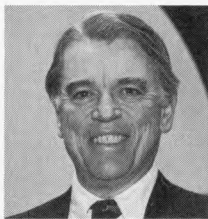
And nooooww....here comes Andrea!!!



# Information Exchange

Top management at United Missouri Bank takes banking conventions seriously. It is an excellent opportunity to exchange information and viewpoints.

All of us will be at the convention with two purposes in mind: to listen and learn what services you need from us and to talk business with you. See you there.



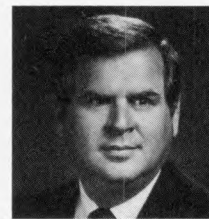
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Chairman of the Board  
United Missouri Bank  
of Kansas City, n.a.  
United Missouri  
Bancshares, Inc.



**Mick Aslin**  
President  
United Missouri Bank  
of Kansas City, n.a.  
United Missouri  
Bancshares, Inc.



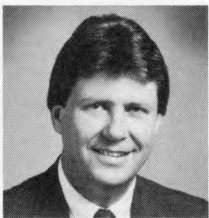
**Lyle Wells**  
Vice Chairman  
of the Board  
United Missouri Bank  
of Kansas City, n.a.



**Pete Genovese**  
Vice Chairman  
of the Board  
United Missouri  
Bancshares, Inc.



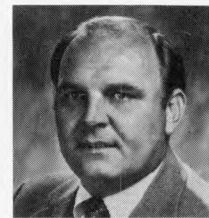
**Larry Russell**  
Executive  
Vice President  
United Missouri Bank  
of Kansas City, n.a.



**Phil Straight**  
Executive  
Vice President  
United Missouri Bank  
of Kansas City, n.a.



**Dick Brooks**  
Executive  
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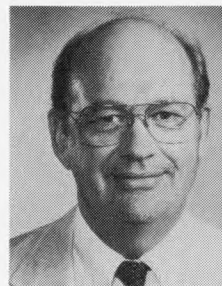
**J.G. CAIRNS, JR.**  
President



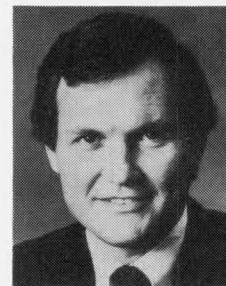
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**H.R. MITIGUY**  
Treasurer



**C.R. BRENTON**  
Council Chmn.



**D.G. OGILVIE**  
Exec. V.P.

## New Orleans Hosts ABA, Oct. 19-23

**"A** MERICA'S Bankers: Meeting the Challenges—Making the Changes," will be the theme of the 1985 ABA Convention, October 19-23, in New Orleans. The convention's primary goal—to help bankers better understand the present and prepare for the future—will be accomplished by providing an invaluable opportunity to learn—not only from the speakers but also from peers, correspondent bankers, regulators and exhibitors.

### Current Events

The impact of current events will be analyzed by NBC Resident Correspondent John Chancellor, an internationally known news correspondent with more than 30 years of experience. Mr. Chancellor has served as NBC's chief White House correspondent and has reported from more than 50 foreign countries.

### World Affairs

World Affairs will be addressed by a distinguished panel featuring Jeane Kirkpatrick, former U.S. ambassador to the United Nations, and James Schlesinger, former U.S. defense secretary and former Central Intelligence Agency director. Moderating will be Marvin Kalb, NBC diplomatic correspondent and moderator of "Meet the Press."

### Industry Issues

Industry issues will be examined by ABA President J.G. Cairns, Jr., president of the Peoples National Bank of Washington, Seattle, and ABA Executive Vice President Donald G. Ogilvie and Federal Reserve Board Chairman Paul Volcker will offer his assessment of the banking industry and U.S. economy. More specific banking topics, such as employee incentive compensation, will be the subjects of many highly informative

workshops. Other anticipated topics include home equity credit, selecting the right software, purchasing bank branches, asset/liability management and agricultural finance.

Certain to be discussed at the convention will be the prospects for banking legislation. Congress will be well-represented, beginning with a Louisiana welcome by U.S. Senator Russell B. Long.

### Meet the Regulators

There will also be "Meet the Regulators" sessions with representatives from the Office of the Comptroller of the Currency, the Federal Deposit Insurance Corporation and the Federal Reserve Board. In addition, a panel of leading economists will provide a comprehensive economic forecast.

### Exhibit Hall

To learn about the newest innovations in banking, attendees will want to visit the ABA Exhibit Hall—a shopping center for hardware, software, displays, premiums, marketing services, office supplies and much, much more. This year's exhibit area will be twice as large as last year's. The exhibits and most other convention activities will be held in the New Orleans Convention Center.

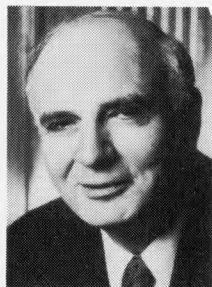
### For Your Enjoyment

Featured at the always popular Sunday morning Fellowship Gathering will be Dr. Lloyd John Ogilvie of the First Presbyterian Church of Hollywood, Calif., and the New Orleans Summer Pops Orchestra.

On Sunday evening, at the ABA reception, there will be super jazz at the Louisiana Superdome, with nationally acclaimed musicians Al Hirt and Pete Fountain. Tuesday's ABA reception will be at the New



**R. LONG**



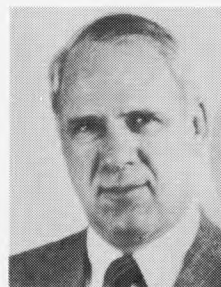
**P. VOLCKER**



**J. CHANCELLOR**



**J. KIRKPATRICK**

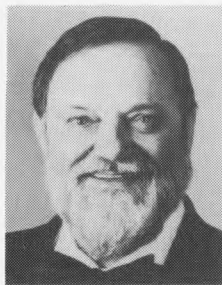


**J. SCHLESINGER**



**M. KALB**





A. HIRT



P. FOUNTAIN

### Orleans Hilton and Towers.

Also planned this year is an expanded spouses' program that will include celebrities like Art Linkletter and valuable self-help and how-to sessions on everything from creative communications to cajun cooking.

At the Discovery Village Activity Center, attendees will be able to view a carnival of New Orleans song and dance, learn about being a football pro from a New Orleans Saint or visit a New Orleans-style craft center. There will be complimentary beauty and fashion consultations, too.

A detailed program schedule follows:

NOCC = New Orleans Convention Center; NOH = New Orleans Hilton & Towers

#### Saturday, October 19

- A.M.**  
 8:30 Grand opening ceremony, NOCC  
 9:00 Exhibits open, NOCC  
 10:30 Concurrent sessions, NOCC

1. Mergers & Acquisitions — It's a Whole New World
2. Media Relations: Getting Your Point Across
3. Making the Most Out of Micros
4. Stonier Graduate School of Banking: Take A New Look

#### P.M.

- 1:45 Tax Reform Forum, NOCC  
 1:45 Concurrent sessions, NOCC
1. Daylight Overdrafts — "Voluntary" Requirements
  2. Initiatives in Banking Closely Held Companies
  3. Sales Training — A Turn-Key for Improving Performance
  4. Selecting the Right Software = Savings & High Performances
- 3:00 Concurrent sessions, NOCC
1. Expanding Business Opportunities through Product Packaging
  2. Incentive Compensation Plans for Community Banks
  3. Farm Financial Management: A New Type of Customer Service
  4. Motivating Your Employees During Changing Times

#### Sunday, October 20

#### A.M.

- 8:45 Fellowship Gathering, NOCC  
 10:15 Exhibits open, NOCC  
 10:30 Government Relations Forum, NOCC  
 10:30 Concurrent Sessions,
1. Employee Stock Ownership Plans: A Complete Analysis
  2. The Director & CEO: Building Effective Relationships
  3. Incentive Compensation — New Approaches

#### P.M.

- 6:00 ABA Reception, Louisiana Superdome.

#### Monday, October 21

#### A.M.

- 8:30 General Session, NOCC
- Welcome by Sen. Russell Long (D-LA)
  - Address by Paul Volcker, chairman, Federal Reserve Board
  - Address by John Chancellor, NBC resident commentator

# Frank Jim



- Election of Officers
- Address by J.G. Cairns, Jr., ABA president
- Exhibits open, NOCC
- 9:00 P.M.
- 1:45 Asset-Liability Management Forum, NOCC
- 1:45 Concurrent sessions, NOCC
- 1. Ensuring Your Bank's Compliance with the Bank Secrecy Act
- 2. Financial Planning — The New Challenge For Your Deposits
- 3. Effective Use of the Bank Holding Company
- 4. Product Merchandising: Something for Every Bank
- 3:00 Concurrent sessions, NOCC
- 1. The Agricultural Credit Crisis: Update & Outlook
- 2. The Tough Management Questions: When to Buy? When to Sell?
- 3. Joint Ventures — Evaluating Your Partner
- 4. Developing a Bankers Code of Conduct

#### Tuesday, October 22

- A.M.
- 8:30 General Session, NOCC
- Address by ABA Executive Vice President Donald Ogilvie
- Panel on world affairs:
  - Jeane Kirkpatrick, former U.S. ambassador to the U.N.
  - James Schlesinger, former U.S. defense secretary and former Central Intelligence Agency director
  - Hedrick Smith, columnist, *New York Times*

- Marvin Kalb, NBC diplomatic correspondent (moderator)
- Installation of Officers
- Exhibits open
- 9:00 P.M.
- 1:45 Bank Insurance Forum, NOCC
- 1:45 Concurrent sessions, NOCC
- 1. Bank Stock Lending: Its Future in Doubt?
- 2. Investment Strategies for Community Banks
- 3. Meet the Regulators — FDIC
- 4. Meet the Regulators — Federal Reserve
- 3:00 Concurrent Sessions, NOCC
- 1. Home Equity Credit: A Second Profit Tool
- 2. Asset-Liability Management: A Regulator's Perspective
- 3. Prescriptions for High Performance
- 4. Meet the Regulators — Office of the Comptroller of the Currency
- 6:00 ABA Reception, NOH

#### Wednesday, October 23

- A.M.
- 9:00 General Session, (location to be announced)
- Economic Outlook:
  - Beryl Sprinkel, chairman, Council of Economic Advisors
  - Additional economist to be announced.

### Northern Trust Sells Two Loop Properties

The Northern Trust Company, Chicago, principal subsidiary of Northern Trust Corporation, has announced an agreement for the sale of two Loop properties resulting in an after-tax gain of approximately \$8 million. Included in the transaction

are the Williams Building, at 205 West Monroe Street, and certain properties fronting on Madison Street and adjacent to the bank's headquarters at 50 South LaSalle Street.

In making the announcement, Northern Trust officials stated that only limited operations are being

conducted at these properties and that ownership of them is no longer in keeping with strategic objectives. They also said that much of the after-tax gain from the sale may be offset by an additional third quarter loan loss provision, resulting in an increased level of the loan loss reserve.

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# Capital Directives

... new weapon for bank regulators

By **WILBER H. BOIES**

Partner

McDermott, Will & Emery Law Firm  
Chicago, Ill.

**S**IX BILLION dollars in capital will need to be added to the banking system, according to the Federal Deposit Insurance Corporation, in order to meet the new capital standards adopted by the FDIC and the Comptroller of the Currency in March of this year. This is in addition to over \$2.5 billion in capital added since higher capital levels were proposed in 1984.

Bank regulators will be using a powerful new weapon to compel such capital increases: the "capital directive" procedure. Using this procedure, the FDIC and OCC can order a bank to increase its capital without the administrative hearing and court review protections available in other regulatory actions against banks.

## Directive Is Painfully Simple

The new capital directive procedure is painfully simple, with differences only in details between the FDIC and OCC regulations issued in March. If a bank is operating with less capital than the minimum capital required by the new FDIC and OCC regulations (essentially 5.5% primary capital and six percent total capital as defined in the regulations), then the FDIC can send a state nonmember bank a "directive" requiring the bank to meet the minimum capital requirement within a specified time. The OCC regulation says its directives may be issued to national banks which do not maintain capital "at or above the minimum ratios."

Agency press releases are ambiguous on whether both agencies will attempt to use capital directives to impose higher capital requirements on banks with operating problems. The only advance warning of a directive will be written notice of the decision to issue a directive, which will include the proposed capital increase and proposed deadline for achieving the capital increase. The bank may file a written response (within 14 days to the FDIC or 30 days to the OCC, with shorter periods in an emergency), after which the agency can send out the directive as originally proposed or in a modified form.

*The regulations do not provide for any hearing before the directive is issued; once issued, the directive is effective immediately, may be enforced in federal court as if it were a final cease and desist order and may be the basis for civil money penalties against bank officers and directors.*

## How New Weapon Compares to Old

To fully appreciate the power of this new weapon in the regulatory arsenal, it is useful to compare the capi-

tal directive with other regulatory procedures for other bank problems. Most bank regulation is accomplished by informal persuasion. Where more formal action appears appropriate, the agencies may use a memorandum of understanding or a written agreement with the bank. With more severe problems, the agencies will seek a cease and desist order and will press bank directors to consent to entry of the cease and desist order without administrative proceedings.

While many bank boards do consent to a cease and desist order, the Administrative Procedure Act and the Financial Institutions Supervisory Act of 1966 provide every bank with many procedural protections if the bank and the regulators cannot agree on terms for an order. These protections include a written notice of charges and an opportunity to answer the notice of charges, some discovery from the government, a hearing (really a trial with witnesses) before an administrative law judge who will make an independent determination about the agency charges, further written arguments followed by a final decision by the regulatory agency board and court review of that decision in the United States Court of Appeals. Those procedures provide both a forum for litigating against the bank regulators and time to conduct the litigation.

## Court Loss Prompted New Directive

The new capital directive procedure is a direct result of such an administrative proceeding lost by the Comptroller. In May of 1983, the Fifth Circuit Court of Appeals ruled that the First National Bank of Bellaire, Tex. could not be ordered to meet OCC capital guidelines because the agency had not proved that the bank's lower capital ratio made it an unsafe or unsound institution. That court decision, after long and bitterly contested administrative proceedings, called into question both the authority of the banking agencies to regulate capital at all and the practical power of the agencies to police capital if hundreds of problems banks began to exercise their rights in slow and complex administrative hearings and appeals.

Acting with unusual speed in response to the Bellaire decision, Congress included a section on bank capital in the International Lending Supervision Act of 1983, a statute which primarily addresses the problem of additional funding for the International Monetary Fund. However, the capital section of the Act applies to all banks, not just multi-nationals doing foreign lending; this section directs the three federal banking agencies to cause all banks "to achieve and maintain adequate capital by establishing minimum levels of capital," clarifies that the agencies may declare inadequate capital to be an unsafe and unsound practice and specifically provides for capital directives to individual banks as an alternative to the more complicated ad-



- ministrative proceedings for other unsafe and unsound practices.

The legislative history of the Act makes it clear that Congress intended to eliminate delays and challenges to regulatory authority as in the Bellaire case. The Act

- also provides that failure to comply with a capital directive may result in federal court proceedings to force compliance, civil money penalties of up to \$1,000 per day, or the denial of requests for agency approval of major activities of the bank and its affiliates.
- In response to the statute, the OCC and FDIC have issued formal capital regulations and the Federal Reserve Board is moving toward a "guidelines" approach with similar capital standards. The OCC and FDIC regulations issued in March and effective in April include the capital directive procedure described above. The new procedure is likely to see heavy use, as the agencies are faced with record numbers of problem banks and seem to have concluded (despite considerable evidence to the contrary) that higher capital ratios will help save problem banks.

### What Should Bankers Do?

What should bankers do about the new capital directive procedure?

- **First**, don't be passive during a bank examination. The capital directive regulations say that a directive may be issued in the course of an examination and a passive posture may invite a tougher directive. Because write-offs affect capital ratios, excessive write-offs should be anticipated and resisted through direct discussions with the examiners by bank officers and accountants.

- **Second**, there are opportunities to negotiate in most problem banks situations. Avoiding or modifying a proposed capital directive could depend upon such issues as sale of assets, dividend policy, realistic earnings projections and a serious loan recovery program. Negotiating the terms of a capital directive could be crucial, involving such points as realistic time to comply, the effect of describing a capital increase in dollars or percentage terms, and the details of any plan for increasing capital which the bank may be required to follow.

Disclosure of capital directives is a particularly troublesome question. Banks with publicly-held securities have disclosure obligations to the holders of those securities. When a bank sells securities to raise capital, agency practice is to require that the securities offering documents describe the terms of any cease and desist order compelling the bank to raise capital.

The agencies can be expected to insist on the same disclosure about securities sold to comply with a capital directive. On May 5, the FDIC adopted a new policy of public disclosure of *all* orders in administrative actions against banks, specifically capital directives. This new disclosure proposal seems intended to pressure problem banks to improve operations in general and to increase capital before any formal proceedings. The disclosure policy effective January 1, 1986 will be a significant change from the current practice of limited disclosure.

### Questions to Be Asked

There are, of course, many open questions about the new capital directive procedure.

- Is the procedure constitutional as enacted by Congress and as it will be applied under the new FDIC and OCC regulations?
- Can the Federal Reserve Board accomplish the same result with "guidelines" and negotiations?
- Is the capital directive short-cut in conflict with other statutes on federal administrative procedures or with state statutes regulating state banks?
- How will federal courts respond to bank attempts to appeal from capital directives and what standard of review will the courts use?
- Should the courts reconsider the fairness of the terms of a capital directive when an agency sues to enforce a capital directive against a bank or to collect civil money penalties from individual officers and directors?

All of these questions will be answered in time, many through litigation. Congress has given the banking agencies a powerful new weapon. The regulations for using the weapon are in place and the banking agencies are prepared to use the new capital directive procedure. □

### Chase Offers Investment Information on Innerline

- The Chase Manhattan Bank, N.A., New York, is taking an innovative approach to meeting the needs of its community banking customers. Working in conjunction with InnerLine, the *American Banker* company that provides on-line news and information to financial executives nationwide, Chase has developed its own vehicle to provide timely information on Chase investment instruments and products to community bankers.

- The service, called ChaseLine, may be accessed by all InnerLine subscribers and features Chase's investment offerings, information on its correspondent banking services

and trust offerings, information product reviews, a weekly economic news update and a conference and convention calendar.

The investment instruments described on ChaseLine provide a full-line of investment alternatives to community banks. They include effective rates for Guaranteed and Term Fed Funds, CDs, BAs, Money Market Funds and Institutional Money Market Accounts. These offerings are viewed on-line and terms are included. To complete a transaction the subscriber contacts a Chase representative via a telephone number which is also provided. All transactions are conducted through a Chase Demand Deposit Account, including the automatic crediting of interest and principal.

A major benefit of providing this information on-line is the timely and convenient access to Chase rates it offers. For example, a community banker can access InnerLine and check the opening rate for Guaranteed Fed Funds. Chase will guarantee the opening rate for that day until 2:00 p.m., New York time. If a decision to buy is made, the transaction can be completed with one telephone call.

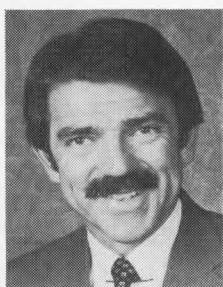
Information on correspondent banking services, trust offerings and information products Chase has designed specifically for community banks is also immediately accessible, and includes descriptions of each service or product, as well as the Chase contact's name and telephone number.





# Incentive Sales Compensation:

## MAGIC OR MYTH?



By **JAMES L. HUBBARD**  
Chairman  
Hubbard & Associates, Inc.  
Chicago, Illinois

... reprinted by permission from *The Quarterly Consultant*, Spring, 1985, Hubbard & Associates, Inc.

**A** DISCUSSION of incentive compensation for bank sales personnel probably evokes more emotion within executives' suites than most subjects. There are strong and divided opinions ranging from "Why pay for what is already their job!" to "It's like magic in motivating people."

Let's look at some of the common myths that often cloud the real issues.



*Incentive compensation for salespeople is primarily a short-term program of earning merchandise and free trips for bringing in new customers.*

On the contrary, an incentive compensation program is a long-term system of paying individuals more directly in relation to their sales results. Through incentive compensation, banks can achieve several benefits such as:

- improved profits because more of the right products are sold.
- lower cost of sales improving profit margins.
- improved communications between management and sales staff with more discussion of corporate goals and strategies.
- more talented personnel are attracted and retained. Justly rewarded, they are more motivated to continue stretching themselves to their fullest potential.



*We should not need to pay extra for our employees to sell. It's part of their job.*

In reality, many public contact employees are not performing as though sales is part of their job. Our experience is that most banks are obtaining minimum sales results unless they are aggressively managing sales from the top down. Sales rise dramatically during a concerted sales effort. If you incent for sales performance above what you are paying now, you will be paying for performance you are not now realizing. That is the concept of incentive compensation.



*Employees will earn more than they deserve.*

Not if you structure the incentive correctly. Design the incentives so you are paying for business you would not otherwise have, and your bottom line will improve.

In most sales-oriented businesses it is not uncommon for a few top sales people to earn more than management. Management should be glad since this good performance can reflect favorably on corporate earnings for which management should be compensated.



*Service to our customers will decline if our employees are incented to sell.*

Part of an employee's compensation can be a fixed amount called base salary. Base salary gives management control over such areas as service to customers. The employee can be evaluated just as before incentive compensation was added.





*Discontent among non-sales employees will result. They will want incentive pay for doing their job.*

Non-sales employees do not take the risks of how much incentive pay they will earn. Their base salary should reflect fair compensation for their total performance. If they are strongly attracted to incentive pay and are willing to accept the risk of a sales position, they can have the option to apply for one.



*An incentive can cause employees to compromise in meeting their customers' specific needs.*

A customer whose needs are not met will not return again. One hopes that the employee would realize that a short-term gain can be a long-term loss. Also, incentives can be designed so that employees are encouraged to sell what is in the customer's best interest.



*An incentive program will chase away employees because their salary is dependent upon their sales results.*

Of course, poor salespeople don't like it, while good salespeople find incentive compensation attractive. What kind of salespeople does your bank seek?



*Team incentives are enough; individual incentives are not needed and will create dissension among the staff.*

In most sales programs, a large percentage of results will come from a small percentage of high sales achievers. If high achievers are not rewarded for their individual efforts, they will become frustrated, demotivated and will not perform as well. Then you will not attain good overall results. Individual incentives are essential as the foundation of a plan; team incentives are discretionary.



*The work environment will become too competitive and too cut-throat. Team spirit will be lost.*

Incentive plans can reward for team effort as well as for individual effort. From our experience, healthy competition is likely to occur and the work environment can become more professional with greater emphasis on professional sales performance.



*Incentive compensation alone is all that is needed to motivate staff.*

Incentive compensation is not a "quick fix." Without improving environmental factors that lead to a more highly motivated staff, you will not obtain lasting, long-term sales results.

Management must establish clear expectations for sales performance and provide adequate sales training so that the staff knows how to sell and what to sell. Sales measurement results should be provided to the salespeople at least monthly, so all know how they are performing. Line supervisors and managers must work with individual employees to help them develop their sales skills through coaching. Above all, recognition by management of those who are doing well will motivate achievers to continue and poor achievers to improve. ☐

☐ **ABOUT THE AUTHOR**—James J. Hubbard received his initial marketing experience with General Electric Company and Marsteller, Inc., a large, international advertising agency. He held marketing responsibilities at Harris Trust and Savings Bank in Chicago and was vice president/director of marketing for the \$1 billion Winters National Bank & Trust Company in Dayton, Ohio. Prior to forming his own firm, Mr. Hubbard was president of Ben Franklin Savings, Oak Brook, Ill. After leaving that post he formed his own firm. He is also chairman of Hubbard/Groupe Facem, Paris, a joint venture with the leading European bank consulting firm, that has been a pioneer in the development of electronic banking programs. Hubbard & Associates' clients are exclusively banks and thrifts located throughout North America and Europe. He is a founding director of the Bank Marketing Association's Chicago Chapter and held national BMA posts. Mr. Hubbard is a graduate of the University of Illinois-Urbana and also a graduate of the School of Bank Marketing at Northwestern University.

## United Missouri Banks Sponsor Coupon Books

United Missouri Banks are once again sponsoring the promotion of Gold C Values Coupon books in Kansas City and St. Louis. The bank sponsorship is a community service to help not-for-profit groups raise money. Last year, more than 85,000 books were sold in Kansas City, bringing in nearly \$255,000 for 650 area groups.

The coupon books contain more than 400 pages of discounts on merchandise, food, entertainment and services. Non-profit organizations sell the books for \$7 each and retain

\$3.50 per book to raise funds.

## Banks Spend Most for Training Their Employees

A survey released last month by the American Society for Training and Development and the American Bankers Association reveals that banks spend over \$350 million for employee training each year, which is almost two-thirds more than the average of all other industries.

The project, entitled "Training America's Bankers," surveyed 1,000 banks, with assets ranging from \$30 million to over \$1 billion.

The 408 usable responses showed that:

- In the banking industry, each employee participates in about 15 hours per year of training activities, compared to a previous ASTD survey of all American industries which showed that only one in eight employees receive training.

- Banks sponsor more than 23 million hours of training each year.

- Current annual spending on training ranges from \$3,000 to \$500,000; with an average of \$24,000.

- Teller training accounts for almost 40 percent of all non-officer training.




 Illinois

G.T. Andes, pres., Belleville  
W.J. Hocter, exec. v.p., Chicago



## Freddie Mac, Marine Bank Finance Housing in Normal

Marine Bank of Springfield and the Federal Home Loan Mortgage Corporation (Freddie Mac) have agreed to a \$1.6 million deal which will provide financing for new apartment complexes in Normal.

Financing for the first project, recently completed and consisting of 39 four bedroom apartments was provided by Marine Bank to Sangamon Fund VI, a limited partnership. The other development is comprised of 14 four bedroom units upon which Marine Bank provided financing to Sangamon VII, another limited partnership.

Financing for the multifamily housing was facilitated through a forward commitment from Freddie Mac, a publicly chartered corporation that purchases mortgages from lenders and sells Mortgage Participation Certificates (PCs) secured by pools of conventional mortgage loans to investors. This prior agreement enabled Marine Bank to lock into a specified interest rate four months prior to the actual delivery of the loans to Freddie Mac. The deal also allows the bank to take advantage of any available lower interest rate during the commitment period.

Steve Hopkins, regional vice president for Freddie Mac's North Central region, said his company looks forward to arranging similar transactions with Marine Bank and other lenders requiring financing for multifamily housing. He noted that Freddie Mac recently introduced a major new mortgage security which will make available new sources of funds for rental housing.

Freddie Mac is a publicly chartered corporation whose preferred stock is owned by savings institutions across the nation and whose purpose is to increase mortgage money for home loans. Since incep-

tion in 1970 through June 30, 1985, Freddie Mac has purchased \$119 billion in mortgages and sold \$108 billion in mortgage securities.

## Pres./CEO Named in Skokie

The Cole-Taylor Financial Group recently named Scott W. Taylor as president and CEO of Skokie Trust & Savings Bank. Mr. Taylor previously served as executive vice president of the bank in charge of its commercial lending operations.



S. TAYLOR

Prior to his career at Skokie Trust, Mr. Taylor was vice president of commercial lending at Drovers Bank of Chicago, another member of the Cole-Taylor Financial Group.

Skokie Trust & Savings Bank also recently hosted the Chamber of Commerce "After Hours Special," held at its Dempster Street facility. One hundred business people attended the two hour meeting, which featured cocktails, hors d'oeuvres and several door prizes.

## Two Rochelle Banks To Be Purchased

Rochelle businessman Gary E. Lindmark has announced plans to purchase the \$31 million-asset United Bank of Ogle County and the \$16 million-asset United Bank of Rochelle from Midwest Financial Group, Inc. Mr. Lindmark said he and a group of investors signed a letter of intent August 22 to purchase the bank for \$4.1 million. Subject to regulatory approval, the transaction is expected to be closed by the end of the year.

Mr. Lindmark, a certified public accountant, said he would become

president and CEO of the two banks.

MFG, Illinois' largest bank holding company, acquired the two banks in April 1984. Said MFB President and CEO William Barnes III, "MFG acquired the two banks as part of our entry into the Rockford market; however, MFG's overall strategy is to purchase major banks in major downstate Illinois markets, and the sale of these two banks is logical for us and is a fine opportunity for Mr. Lindmark."

## V.P. Appointed in Arlington Heights

At The Bank & Trust Company of Arlington Heights, Robert T. Lincoln has been appointed senior vice president, commercial banking. Mr. Lincoln joined the bank in 1979 and has held the positions of commercial loan officer, assistant vice president and vice president of commercial banking.



UnibancTrust Company, a wholly-owned subsidiary of Unibancorp, Inc., announced Aug. 28 that it has entered into an Agency Agreement with The First National Bank of Chicago under which UnibancTrust will furnish data processing and securities custody services in connection with a segment of First Chicago's fiduciary accounts for annual fees to UnibancTrust in excess of \$2 million.

UnibancTrust is required to commence performance under the Agreement no later than January 2, 1986,



and the Agreement has a five-year term. The Agreement is not expected to have material impact upon 1985 results from operations.

\* \* \*

**William J. Smith** has been elected a director of Unibancorp, Inc. and UnibancTrust, bringing the number of directors on each board to ten. Mr. Smith is president and chief executive officer of United States Can Co., Oak Brook.

\* \* \*

Drovers Bank of Chicago hosted an employee blood drive in support of the Blood Center of Northern Illinois on Sept. 19. Drovers President and COO **Joseph G. Migely** urged full participation in the drive, which benefits 28 hospitals in the Chicago metropolitan area.



**William C. Harris**, Illinois Commissioner of Banks and Trust Companies, cuts the official "money ribbon" at a recent celebration of the newly remodeled Michigan Avenue National Bank, a member of First Colonial Bankshares. The ribbon, which was made of a string of five dollar bills, was contributed to the Neediest Kids' Fund, a local charity. Looking on (from left to right) are bank president **Lawrence W. Nortrup**, chairman **Patrick L. O'Malley**, First Colonial Bankshares chairman **C. Paul Johnson** and Illinois Bankers Association president **G. Thomas Andes**, president, First National Bank of Belleville.

## Eagle's Sit-Down Banking Proves Successful

Eagle Bancorporation's original concept of "sit-down" banking—considered a national first—has established a solid success record as the Collinsville bank reaches the mid-point of its second year of operation. Having surpassed a first year goal of \$5 million in deposits within months of opening the doors, the bank now approaches the \$10 million mark.

The idea behind "sit-down" banking is that people sitting down to transact business assume a pose of cooperation, while a standing position implies hurry and even confrontation. The Collinsville facility was built with this in mind. Instead of

teller counters, there are contemporary desks with side chairs. State-of-the-art equipment is built into the teller's side of the desk without impinging upon the business surface of the tabletop.

**Rayhill J. Hagist**, Eagle Bancorporation chairman and CEO, says, "Behavior experts tell us that business conducted between two people sitting across from each other has a far better chance of being cooperative, and hence productive, than two people conducting business while standing in line. It gives us an opportunity to do a thorough job of cross selling our various products and services. But we've also found that our customers, for many and varied reasons, prefer sit down

banking to teller lines and hurried transactions."

**Eugene Plocher**, executive vice president of Eagle, credits the bank's success to the enthusiasm of the staff. He said, "We chose our people very carefully. This was an idea that we believed in and to give it a thorough test, we needed special people."

The bank is located at the crossroads of a major traffic artery that connects Illinois and Missouri. The building contains a lobby with four sit-down tellers, a work room with night depository, two conference rooms and a general office area. Expansion is already underway to add 1600 sq. ft. of office space above the drive-through area.



**THE** Eagle bank building that was designed to house an idea: sit-down banking.



**SIT-DOWN** banking in the Eagle lobby implies the bank has time for the customer.



When Dick Holmes  
isn't on the road calling  
on bankers, he's on the  
phone talking to them.



**Marquette Bank  
Minneapolis**

Member FDIC

Sixth and Marquette  
Minneapolis, MN 55480  
(612)341-6572





## Minnesota

C.D. Kurtz, pres., Norwood  
T.L. Jeffers, exec. v.p., Minneapolis



### Sponsored by MBA

The Minnesota Bankers Association will present five Managing for Productivity and Profits Workshops throughout the state between October 2-31 in five different locations.

The program will cover interviewing and selection, goal setting, rewards and recognition, impact of job satisfaction on productivity and leadership. Registration is at 12:30 p.m., followed by the workshop at 1:00 p.m.

The MBA is also sponsoring Bank Staff Seminars entitled "Professionalism, Productivity and Profits—'The Ripple Effect,'" to be held at 15 locations throughout the state of Minnesota from October 1-31. The program is designed for the entire bank staff and will cover the impact of professional behavior on productivity, customer satisfaction, career progress and profits. Registration begins at 5:30 p.m. with dinner at 6:00 p.m., followed by the program.

The speaker for both the workshop and the seminars will be Denise Hasbargen, vice president of the training division of Financial Shares Corporation, Chicago. She joined the firm in 1984, after serving as personnel manager of the midwest branch of CNA Insurance Companies. Previously, she was manager of training and development at Rockwell International. During her ten years in the human resource profession, Ms. Hasbargen has specialized in the development of management and sales training programs, and the design and administration of employee incentive and preventative labor relations programs.

The Bank Staff Seminars will be held at the following locations: Oct. 7, Northland Lodge, Crookston; Oct. 8, Holiday Inn, Detroit Lakes; Oct. 9, Arrowwood, Alexandria; Oct. 10, Sunwood Inn, St. Cloud; Oct. 21, Kahler Hotel, Rochester; Oct. 22, Holiday Inn, North Mankato; Oct.

23, Best Western, Marshall; Oct. 24, Kandi Entertainment Center, Willmar; Oct. 28, Hotel Sofitel, Bloomington; Oct. 29, Sheraton Park Place, St. Louis Park; Oct. 30, Ramada Inn, St. Paul, and Oct. 31, Hilton Inn, Minneapolis.

### Elected at Exchange Bk.

David A. Shern, president of Anchor Bancorp, Inc., has been elected

chairman of the board of Exchange State Bank, St. Paul. Mr. Shern, former Minnesota Deputy Commissioner of Commerce in charge of financial institutions, is also chairman of the board of First Bank of Minnesota, West St. Paul and an officer and director of First National Bank of Wayzata.

The bank also announced it's plans for a grand opening of the new Maplewood facility on October 5th. The office is located at White Bear Avenue and No. St. Paul Road.

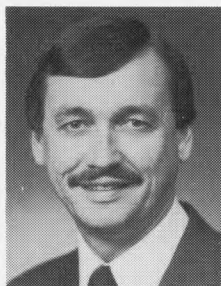


D. SHERN

### St. Cloud Ntl. Names Pres.

Michael A. Bue has been named president, chief executive officer and director of St. Cloud National Bank and Trust Co. He brings to the St. Cloud National Bank and Trust Co. more than 17 years of experience in the banking and financial management industries.

Most recently, Mr. Bue was associated with First Bank System, serving as senior vice president and sec-



M. BUE

ond officer of First Bank Bismarck. Mr. Bue was responsible for the loan portfolio and assisted in all areas of general management and bank operations. Prior to that he served as senior vice president and second officer for Norwest Bank, Maple Grove. In addition, he has served as a commercial loan officer for Northwestern National Bank of Hopkins, and as a credit analyst for Northwest Bancorporation, Minneapolis.

### Elected in Duluth

At First Bank Duluth, Frank J. McCarthy has been elected senior vice president. Mr. McCarthy, who has been serving as vice president of the regional division since 1984, will continue to have responsibilities in that area. In his new position he will also be involved with business development at the bank.

President of First Bank Virginia from 1981 to 1984 and of First Bank Cloquet from 1973 to 1981, Mr. McCarthy also served as vice president and marketing officer in Duluth from 1969 to 1973.

In a related development, First Bank Minnesota has announced the election of Lowell C. Peterson as vice president and chief operating officer of its Virginia office.

### Promoted in Mankato

Mark R. Lange has been promoted to assistant vice president/commercial department at Norwest Bank Mankato. He joined the bank in 1977 as a teller, moving to discount teller and then was a credit analyst until becoming a commercial loan officer in 1983.

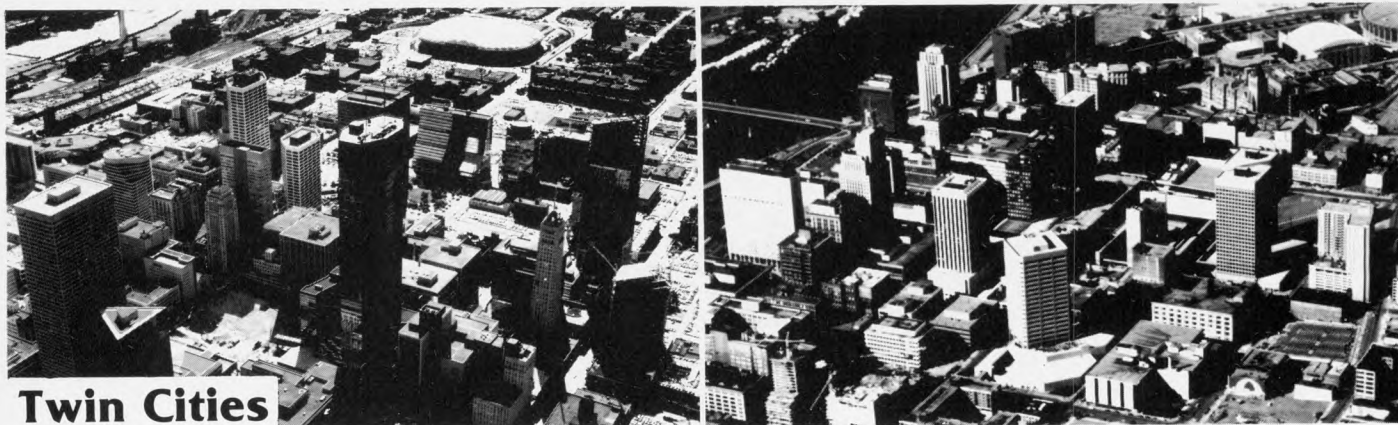
### Named in St. Cloud

The addition of John H. Maiers as installment loan officer has been announced by John Leisen, president of Zapp National Bank, St. Cloud. Mr. Maiers was previously associated with Prudential Insurance Company of America and Valley National Bank, Mankato. Zapp National Bank is affiliated with Zappco, Inc., a St. Cloud bank holding company.



J. MAIERS





## Twin Cities

First Bank System, Inc. recently announced the soon-to-be consolidated trust activities of First Trust Company of St. Paul and First Bank Minneapolis will have a new name, one new St. Paul location and a new chief executive.

First Trust Company, Inc. has been selected as the new name for the consolidated trust company. Plans to consolidate the two operations were announced in April of this year.

In addition to approving the name change, directors of First Trust elected **John M. Eggemeyer, III**, chairman and CEO and a director of the new company. Mr. Eggemeyer will succeed **J. Thomas Simonet** who, as previously announced, will retire on December 31, 1985.

Mr. Eggemeyer, 39, joined First Bank System in 1985 as executive vice president and COO of First Interstate Bank of Denver.

As a result of the consolidation, First Trust Company, Inc. will have assets under management of \$8.9 billion, making it the 19th largest trust operations in the United States.

First Bank System, Inc. also appointed **Becky Malkerson** to the position of vice president of government relations and **Kenneth A. Macke** to the board.

Ms. Malkerson has been associated with First Bank System since 1975 when she joined First Bank Minneapolis as a market research associate. In 1976, she joined the metropolitan marketing department of First Bank System as marketing officer and manager of credit products. She was appointed assistant vice president of corporate relations in 1978 and has most recently served as assistant vice president of public affairs, a position she has held since 1982.

Mr. Macke is chairman and CEO of Dayton Hudson Corporation.

\* \* \*

Bank Shares Incorporated, the parent company of Marquette Bank Minneapolis, recently announced it has acquired Fidelity Bank and Trust Company of Minneapolis. Terms of the purchase were not disclosed.

Fidelity Bank and Trust Company in Northeast Minneapolis will become an affiliate bank of Bank Shares Incorporated called Fidelity Bank Northeast. Fidelity Bank and Trust has detached facilities located in Eden Prairie and Burnsville.

Bank Shares Incorporated is the third largest bank holding company in the Ninth Federal Reserve District. It was established in 1940 and now includes six banks with 13 offices.

\* \* \*

First Bank System, Inc. has received approval from the Federal Reserve Bank of Minneapolis to acquire Rust Insurance Agency, Inc. in Fargo, N.D. The acquisition is the company's 17th since April 1984.

Effective September 1st, the agency became the new North Dakota regional headquarters of FBS Insurance, the company's insurance brokerage subsidiary. The Rust Insurance Agency will be known as FBS Insurance—Rust Agency.

\* \* \*

Piper Jaffray Incorporated, parent company of the Minneapolis-based investment firm of Piper, Jaffray & Hopwood Incorporated (PJH) recently announced PJH has

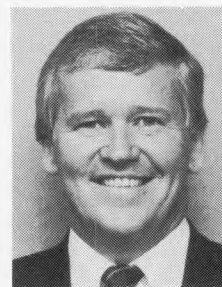
reached agreement to settle a class action lawsuit that had been brought by purchasers of single premium deferred annuities (SPDAs) issued by National Investors Life Insurance Company of America and University Life Insurance Company of America, both subsidiaries of Baldwin-United Corporation. In connection with that settlement, PJH has also agreed with 47 states to resolve existing and potential disputes related to the sale of Baldwin-United SPDAs in those states.

The settlement will result in the payment of approximately \$3.9 million by PJH for the benefit of its customers who purchased the SPDAs. The terms of settlement between PJH and the 47 states require that state officials discontinue or terminate any pending proceedings, whether judicial or administrative, against PJH related to Baldwin-United SPDAs, and agree not to institute any such proceedings in the future.

The settlement is contingent upon approval of the court where the class action lawsuit is pending and certain other conditions. It is expected that the hearing on the settlement will not occur for several months.

\* \* \*

**William J. Swanstrom** and **Steven E. Rykkeli** have been promoted to vice president by First Bank Minneapolis.



W. SWANSTROM



S. RYKKELI

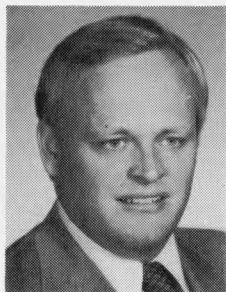


Mr. Swanstrom, who joined the bank in 1981 as human resources officer, had been assistant vice president in the human resources group.

Mr. Rykkeli had been assistant vice president in the regional group since joining First Bank Minneapolis in 1981.

\* \* \*

Norwest Business Credit, Inc. recently announced the promotions of **Robert C. Severson** to vice president of the marketing division, **Ronald D. Weis** to vice president, loan administration department, and **Robert G. Riggs** to vice president.



R. SEVERSON



R. WEIS



R. RIGGS

Mr. Severson previously served as senior new business executive in the marketing department. Before joining NBCI in 1983, he was a commercial banking officer with Norwest Bank Minneapolis and held positions in several other Norwest affiliates.

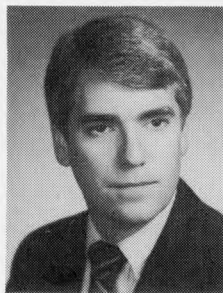
Mr. Weis has served as assistant vice president since 1978. Before joining NBCI in 1975, he was a loan officer for James Talcott, Inc., and an assistant branch manager for Commercial Credit Equipment Corporation.

Mr. Riggs has served as assistant vice president in the field examination department since 1983. His responsibilities have been expanded and he presently heads up both the accounting and field exam departments. Prior to joining NBCI, Mr. Riggs was vice president at Drag Specialties, Inc., and also held positions in several companies including, Peat, Marwick, Mitchell and Company.

\* \* \*

The Independent State Bank of

Minnesota announced the election of **Jeffrey A. Betchwars** as assistant vice president and head of its investment trading division. His primary responsibilities include development, implementation and management of the trading services of the bank.



J. BETCHWARS

Mr. Betchwars has a background in selling tax-exempt and taxable securities.

\* \* \*

Norwest Bank South St. Paul, N.A. has recently announced the promotion of **Jeffrey R. Wentzel** to assistant vice president of commercial banking, the promotion of **Todd D. Markman** to commercial banking officer and the election of **Douglas M. Dirks** as agricultural loan officer.

Mr. Wentzel is a graduate of the University of Minnesota where he received a BA in economics. He joined Norwest Bank South St. Paul in 1981 and most recently served as an officer in commercial banking.

Mr. Dirks is a graduate of Iowa State University where he received a BS in agricultural business. He joined Norwest Bank South St. Paul in 1985 following his association with the Production Credit Association of Alexandria.

Mr. Markman is a graduate of Dartmouth College where he received a BA in economics. He joined Norwest Bank Hastings in 1982 as a credit analyst and is presently located at Norwest Bank South St. Paul where he is a commercial banking representative.

\* \* \*

Norwest Bank St. Paul, N.A. has promoted **Robert K. Clements** to assistant vice president of commercial banking and **James D. Rorvick** to assistant vice president of private banking.

Mr. Clements joined Norwest Bank St. Paul in 1978 and most recently served as assistant vice president of commercial banking at Norwest Bank South St. Paul, N.A.

Mr. Rorvick joined Norwest Bank St. Paul, N.A. in 1985 following his association with 1st Bank of Southdale.

Norwest Bank University-Midway, N.A. has elected **Gregory J. Lickteig** as assistant vice president of commercial banking and **Annette K. Bonness** as commercial banking officer.

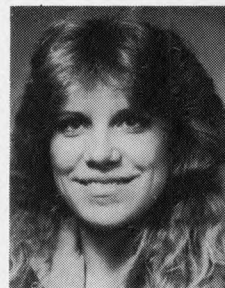
Mr. Lickteig joined Norwest Bank University in 1985 following his association with 1st Bank of Edina.

Ms. Bonness joined Norwest Bank University in 1985 after two years at Norwest Bank Omaha.

\* \* \*

Marquette Bank Minneapolis has recently promoted **Pamela S. Aakhus** to trust operations officer, **Craig A. Bishop** to investment officer and **D. Kevin Briggs** to assistant trust operations officer.

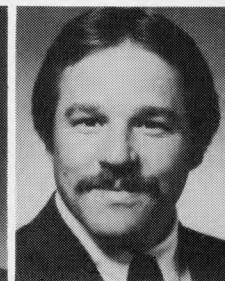
Ms. Aakhus has served in a variety of positions in the bank's trust department since 1981, most recently as trust tax accountant.



P. AAKHUS



C. BISHOP



K. BRIGGS

Mr. Bishop joined the bank in 1982 and has served in the investment sales department, most recently as a trust securities supervisor.

Mr. Briggs joined the bank in 1979 and has served in trust securities operations since 1980. His previous positions included securities clerk, trust securities coordinator and trust securities supervisor.

\* \* \*

Marquette Bank Minneapolis has announced it is currently presenting "Site Specific: Commissioned Works by Minnesota Artists," an exhibition of paintings, photographs, models and sculptures documenting art works commissioned for public and private sites.

The exhibition was organized by



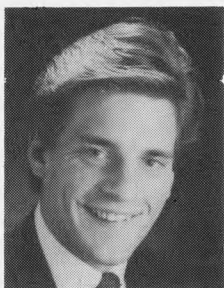
**Robert Thomson** of the Thomson Gallery in Minneapolis and guest-curated by artists **Stuart Nielsen** and **Philip Larson**. It received wide critical and public acclaim during its July-August showing at Thomson Gallery.

The exhibition will be on view from 8:00 a.m. to 5:00 p.m. Monday through Friday, until October 17, in the Skyway Gallery of Marquette Bank Minneapolis, Sixth Street and Marquette Avenue.

\* \* \*

**Gary L. Manney** has joined the Cherokee State Bank, St. Paul as assistant cashier and will be the assistant manager at the Grand Avenue Branch scheduled to open January of 1986.

He was previously a branch manager with ITT Financial Services and holds a BS degree in economics from the University of Minnesota.

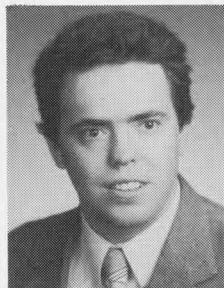


G. MANNEY

\* \* \*

National City Bank of Minneapolis recently announced the addition of **Brian K. Whitmarsh** as commercial real estate loan officer.

Mr. Whitmarsh received a masters degree in urban and regional planning and also received his MBA in real estate investment analysis-urban land economics for the University of Wisconsin. Mr. Whitmarsh had four years of real estate brokerage experience in Portage, Wis. prior to joining National City.



B. WHITEMARSH

\* \* \*

### Promoted in Richfield

**Linda Spekman** has been promoted to operation officer at Richfield Bank & Trust Co. She is currently manager of the customer service department. She joined the bank in 1979 and has been employed in the field of banking operations for the past 12 years.

### Promoted in Edina

**Gail P. Turnbull** has been promoted to assistant vice president at Americana State Bank of Edina. Her new responsibilities will be in the loan service and credit departments of the bank.



G. TURNBALL

Ms. Turnbull was formerly the credit officer of the Americana State Bank.

### Elected in Robbinsdale

**Gail M. Grewe** has been elected assistant vice president of First Bank Robbinsdale, N.A. She will have responsibilities for the origination and administration of commercial loans. Before joining the bank, Ms. Grewe was associated with Norwest Bank Hopkins, where she served as a vice president for the small business division. She joined Norwest St. Paul as a regional credit trainee in 1979, and in 1981 transferred to Norwest Bank Central, where she held positions of credit department manager and later, commercial lender.



G. GREWE

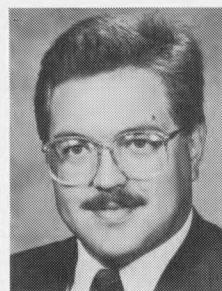
### MBA Conducts Commercial Lending School

The Minnesota Bankers Association Commercial Lending School (CLS) completed its third session August 11-16 at St. Olaf College in Northfield. The school is an intense two-week professional program which was developed three years ago to provide specialized instruction in the area of commercial lending. This year, CLS officially became a part of the American Bankers Association Professional Development Program.

Each year, only fifty students are accepted into the program and all are required to attend the two one-week sessions in successive years in order to receive a certificate of completion. Between attending the two sessions, students must complete a between-year project.

### Added in Fergus Falls

**Charles L. Kretchman**, president of Norwest Bank, has announced that **Jon Dahl** has joined Norwest Bank Fergus Falls as agricultural loan officer. He has been employed by MfHA as a loan officer in agricultural credit at Moorhead. Prior to that he held the same position in Litichfield. Mr. Dahl graduated from the University of Minnesota with a Bachelor of Science in Agricultural Economics.



J. DAHL

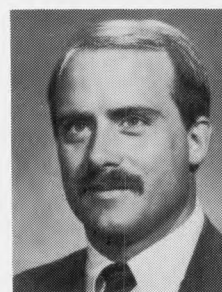
### Elected in Maple Grove

**Margaret M. Weber** has been elected a real estate banking officer, Charles T. Teasley a consumer banking officer and **Craig H. McCoy** a consumer banking officer of Norwest Bank Maple Grove, N.A.

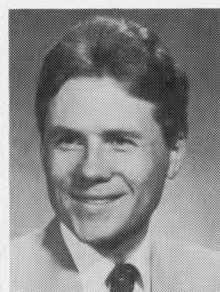
Ms. Weber joined Norwest Bank Maple Grove in 1976, and held positions in personal banking, real estate, and consumer lending. She was later elected consumer lending officer, serving the I-494 and Bass Lake Road office.



M. WEBER



C. TEASLEY



C. MCCOY

Mr. Teasley began his career at Norwest Bank Silver Bay and joined Norwest Bank Maple Grove in 1982, as an installment loan representative.

Mr. McCoy began his career at Norwest Bank East St. Paul where he held positions in personal banking, real estate, and installment lending. He joined Norwest Bank Maple Grove in 1982, as an installment lender/personal banker.



# FIRST. THE GOOD NEWS.

## *Two Firsts make a force in correspondent banking.*

First Bank Minneapolis and First Bank Saint Paul Correspondent Banking Departments have joined forces to become First Bank Correspondent Banking. We combined all the resources of two of the largest correspondent banks in the region to create the biggest and most customer-driven correspondent in the Upper Midwest.

What does that mean to you? It means you can draw on the largest credit resources of any correspondent in the Upper Midwest. It means you can build a solid banking relationship with the largest staff of professional calling officers in the area. And it means you can rely on the resources of our banking officers to solve your specialized, multi-bank and non-credit needs.

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

more and more advice about the rapidly changing world of deregulated banking. And so we're giving it to you.

First Bank Correspondent Banking officers have instant access to *all* of the resources and expertise of First Bank Minneapolis and First Bank Saint Paul. So you can get the expert banking advice you need whether it's in international banking, consulting services, security sales and safekeeping, SBA loans, leasing, and much more.

We even have an entire division that specializes in financial services for high-growth, high-technology industries.

So, when you need correspondent banking services, talk to us. At First Bank Correspondent Banking you don't have to go around in circles to get to the experts.

We have the credit you

need and the technical advice you have to have to stay profitable in today's ever changing world of banking.

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(612) 370-5474

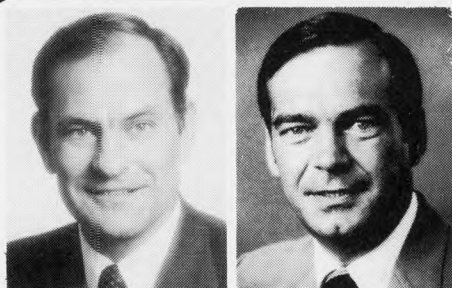
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St. Paul, MN 55101  
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Members FDIC



## Wisconsin

D. Treptow, pres., Brown Deer  
B.K. Koontz, exec. dir., Madison



### Three Banks Affiliate With Valley Bancorporation

Two Wisconsin banks have announced they will affiliate with Valley Bancorporation by exchanging 100% of their common stock for holding company stock. Gus A. Zuehlke, chairman and CEO of Valley Bancorporation, announced the merger approvals jointly with Arthur W. Hugo, president of Commercial Bank of Chilton, and Richard J. Pariso, president of the Peshtigo State Bank.

Both transactions await approval of shareholders and the Federal Reserve System.

At June 30, 1985, the Commercial Bank of Chilton had assets of \$36 million and the Peshtigo State Bank had assets of \$26 million.

Valley Bancorporation had total assets of \$1.41 billion on June 30. Since that date, Valley completed the merger with United Banks of Wisconsin, Inc. which brought total assets to approximately \$1.8 billion. Together with recent announcements of the affiliation of First National Bank of Minocqua and Woodruff, Commercial Bank of Chilton, and Peshtigo State Bank with Valley, this affiliation will bring total assets to approximately \$1.9 billion.

In addition, Thomas R. Fisher, president of First National Bank & Trust Co. of Beaver Dam, and Mr. Zuehlke announced agreement in principle for affiliation of First National with Valley. This would add an additional \$65 million assets to Valley.

### Changes Told in Eau Claire

First Wisconsin National Bank, Eau Claire, recently announced the promotion of four officers, election of one officer and the election of one board member. Named vice presidents were Charles W. Forster, Allan G. Grosskopf, Richard J. Peterson and Mark C. Vollendorf. Denise

E. Gilchrist was elected mortgage loan officer and K. Richard Olson was elected to the board.

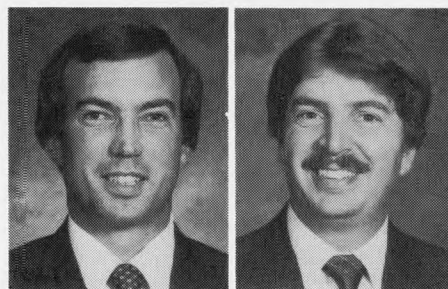
Mr. Forster joined First Wisconsin in 1973 as a management trainee and in 1974 became assistant manager of the bank's Sky Park office. He was promoted to office manager and personal banking officer in 1977. In 1982, he joined the commercial loan department and was named assistant vice president.



C. FORSTER

A. GROSSKOPF

Mr. Grosskopf was hired as a management trainee in 1972 and in 1974 was assigned to the correspondent banking and money center department as a correspondent accounting administrator. He was named correspondent banking officer in 1976 and promoted to assistant vice president in 1981.



R. PETERSON

M. VOLLENDORF

Mr. Peterson started his career at the bank in 1971 as a management trainee. From 1974 to 1976, he managed the bank's drive-in office. He was promoted to personal banking officer in 1977 and transferred to the personal banking department at the Barstow Street office. Mr. Peterson joined the commercial loan depart-

ment in 1980 and was named an assistant vice president in 1982.

Mr. Vollendorf joined First Wisconsin in 1971 as a management trainee. In 1973, he became manager of the Business Development Department, a position he held for 10 years. In 1974, Mr. Vollendorf was named a personal banking officer and in 1978, he became an assistant vice president. He has worked in the commercial loan department since 1983.

Ms. Gilchrist started managing First Wisconsin's entire residential mortgage loan operation in 1985. She formerly was employed for 10 years with Western Federal Savings and Loan, Eau Claire, most recently as an assistant vice president.



D. GILCHRIST

K. OLSON

Mr. Olson is vice president of operations at Professional Education Systems Inc., Eau Claire. He is also the author of numerous legal publications and articles and is of counsel to the law firm of Misfeldt, Olson and Stark.

### Pres./CEO Named in Oregon

The board of Valley Bank of Oregon has named William D. Bushner, president and CEO and a member of the board. The bank, which has assets in excess of \$37 million, will be managed by Mr. Bushner and the existing officer staff.

Mr. Bushner has been with the \$1.8 billion Valley Bancorporation for 13 years, most recently as president of Valley Bank of Casco.

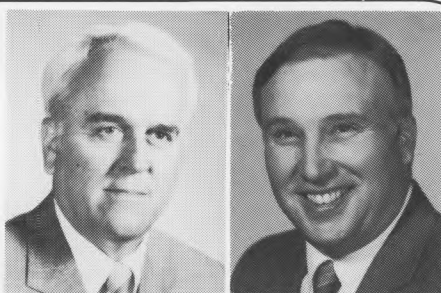
### V.P. Named in Kohler

Bruce E. Kappeler has been promoted to vice president and general auditor at First Interstate Corporation of Wisconsin. Located at the First Interstate Center in Kohler, he is responsible for administration of the internal audit and compliance functions for the corporation. Mr. Kappeler has served as general auditor for the firm since 1979.

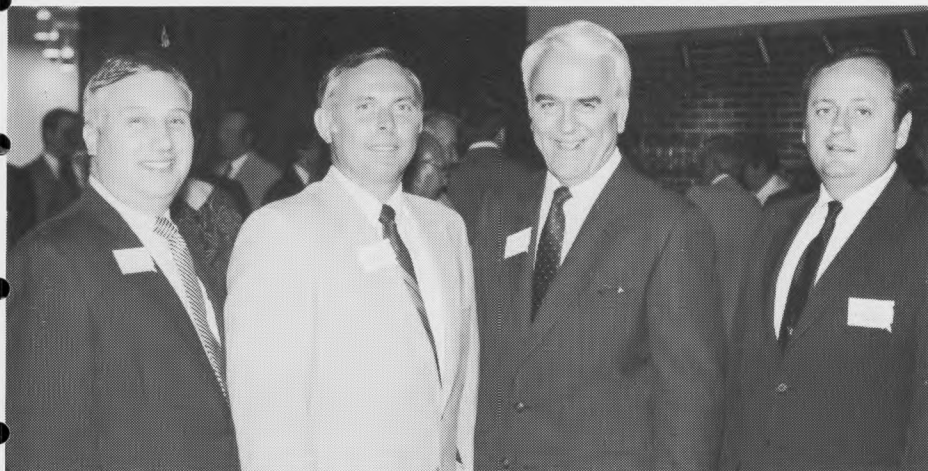


## South Dakota

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



## SDBA Holds 1985 Group Meetings



**PRESENT** at the SDBA Group Meetings were SDBA officers, left: Adm. Vice Pres.—**J.I. Milton Schwartz**, Pierre; Pres.-Elect—**B. Michael Broderick, Jr.**, pres., American State, Canton; Pres.—**Burdette C. Solum**, dist. pres., Norwest Bank of South Dakota, N.A., Watertown, and Vice Pres.—**Larry Ness**, pres., First Dakota Natl., Yankton.

**T**HE South Dakota Bankers Association held its 1985 Group Meetings last month in five cities: Rapid City, Mobridge, Mitchell, Sioux Falls and Watertown. Highlighting this year's group meetings was Dr. Douglas V. Austin, president, Douglas Austin and Associates, Inc., Toledo, Ohio.

Dr. Austin gave a presentation entitled, "Now That I Have a Bank Holding Company, What Do I Do With It?" An update on SDBA Insurance Services was presented by Russell G. Hendrix, vice president, SDBA Insurance Services, followed by a reception and dinner at each meeting.

### Commercial T&S, Mitchell, Names Les Olson President

Leslie H. Olson was elected president and chief executive officer of the Commercial Trust & Savings Bank in Mitchell, it was announced last month by Boyd Knox, chairman.

Mr. Olson has 40 years of banking experience and will head Mitchell's largest chartered bank with assets of more than \$111 million. He has



L.H. OLSON

served most recently as executive vice president at Peoples Bank & Trust Co. in Waterloo, Ia., since May 1, 1984.

Mr. Olson was born in Sioux City, Ia., March 13, 1927. He began working for the Toy National Bank of Sioux City in January, 1945. He holds the Graduate Certificate from the American Institute of Banking and was graduated from the Graduate School of Banking at the University of Wisconsin, Madison, in 1959. Mr. Olson also has completed the Independent Bankers Association's M.D.B. Course at Harvard University and is accredited by the American Bankers Association as a Certified Commercial Lender.

Mr. Olson worked in all departments of Toy National Bank. After serving as assistant cashier and then cashier, he was elected in 1965 as vice president in charge of the bank's investment portfolio and the correspondent bank division. He was named to the Toy board of directors in January, 1971, and was elected president and CEO a year later on January 18, 1972.

He was active in banking affairs as president three times of the Sioux City Bankers Association, held many offices in AIB, and later was president of the Iowa Bankers Association in 1979-80.

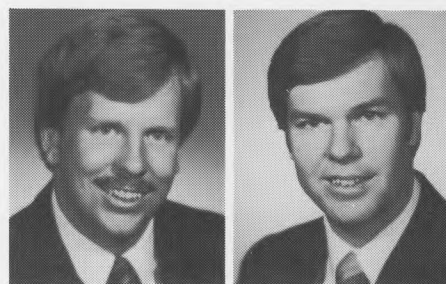
### Named at Parker

Robert Schultz has been named assistant vice president, agricultural banking at the Parker branch of Norwest Bank South Dakota.

Mr. Schultz has been with the Stockyards branch in Sioux Falls for the past 12 years.

### Two Elected in Sioux Falls

Jeff Baartman and Russ Hovendick have been elected personal banking officers at Western Bank in Sioux Falls. Mr. Baartman joined the bank in 1976, and Mr. Hovendick in 1984. Together they have 18 years experience in installment lending and financial counseling. They will serve the bank's clients from the Western Bank West office in Sioux Falls.



J. BAARTMAN

R. HOVENDICK

### Two Named in Sioux Falls

Dave Thompson has recently been named credit officer and Bill Hageman has been named personal banking officer of Norwest Bank South Dakota, Sioux Falls.

In 1981, Mr. Thompson started with Norwest in Huron as a personal loan representative and in 1983 transferred to Brookings as a com-

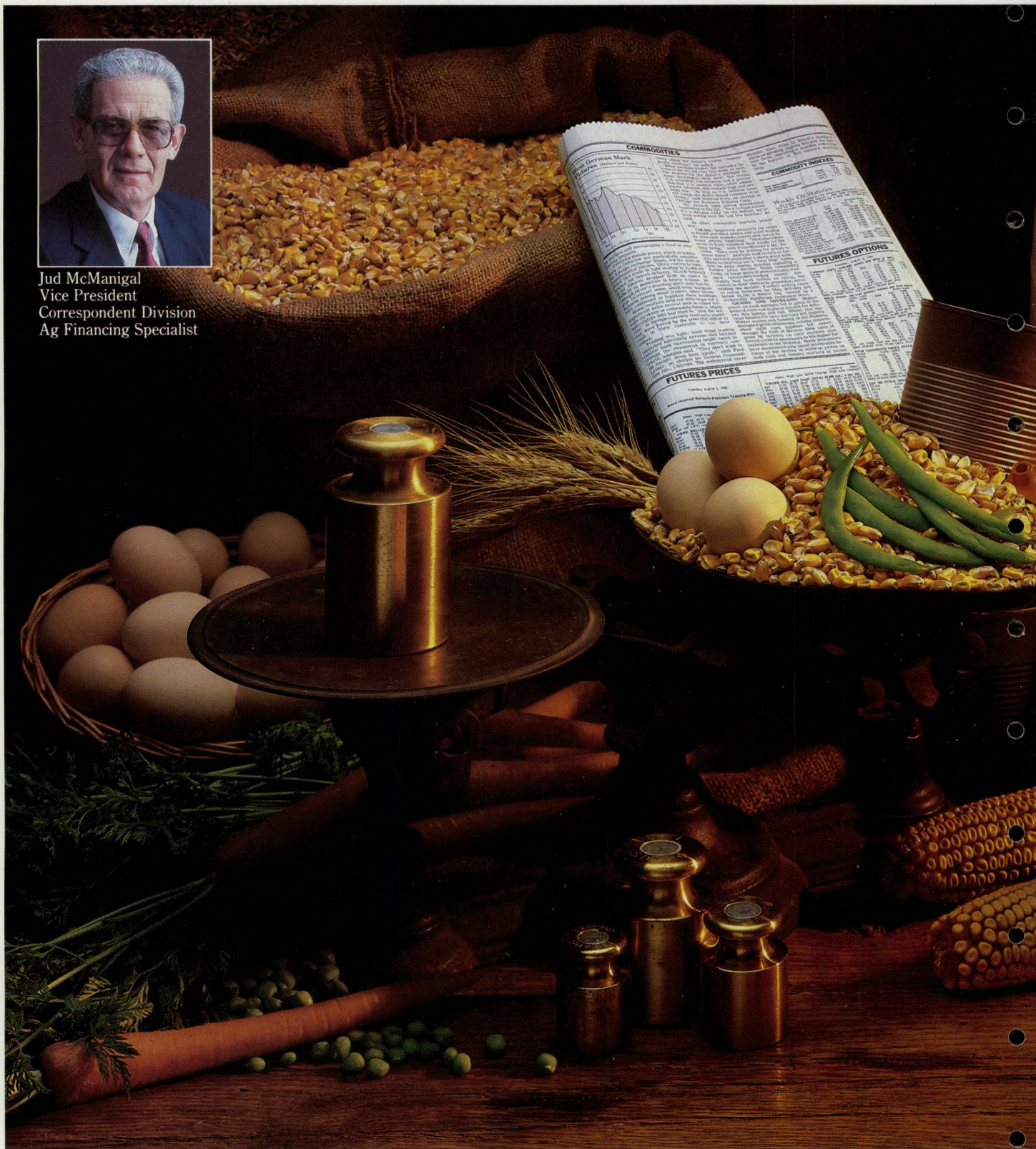
**SOUTH DAKOTA NEWS . . .**  
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# AGRICULTURAL FINANCING

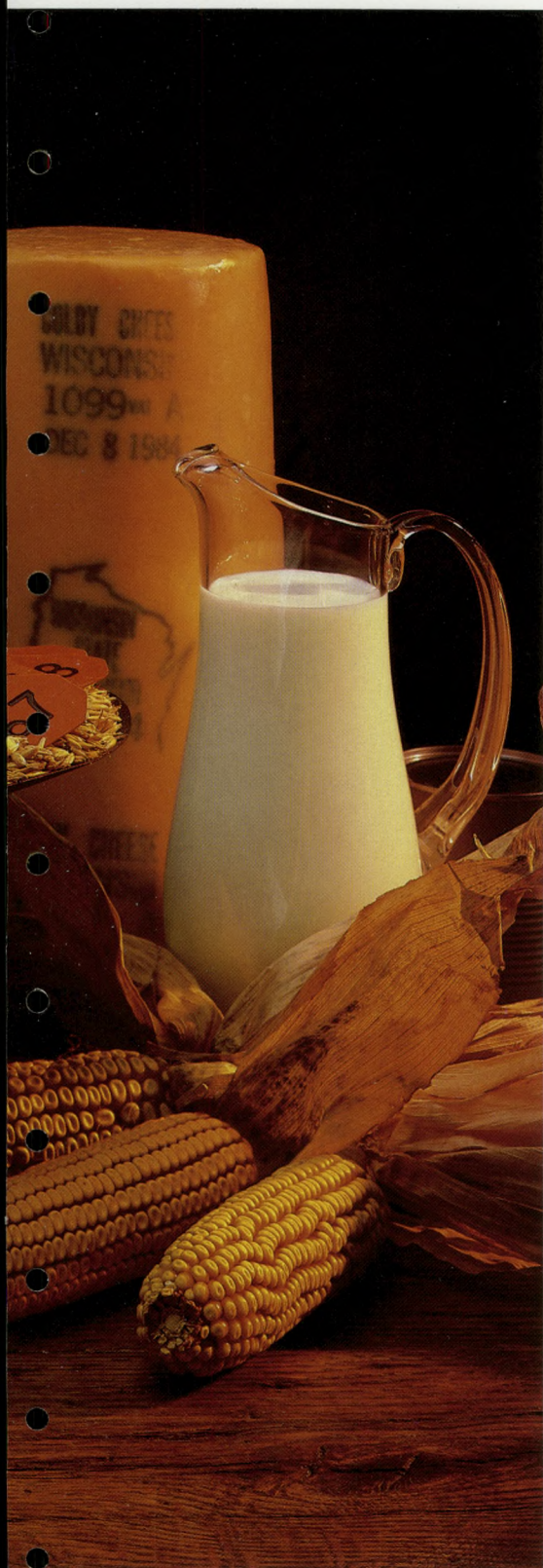
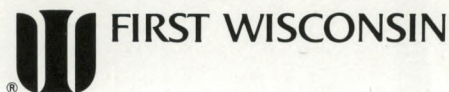


Jud McManigal  
Vice President  
Correspondent Division  
Ag Financing Specialist



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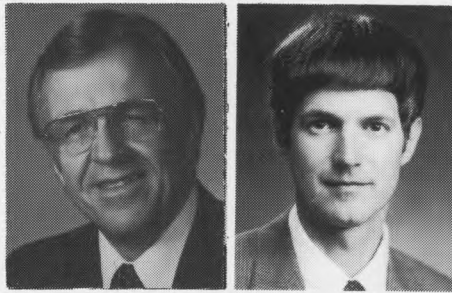
For the ag lending expertise your bank needs, come to First Wisconsin. Give Jud McManigal a call at 414/765-4143. He'll help you and your customers make the most of agribusiness opportunities.

***WHEN PERFORMANCE COUNTS.***



## North Dakota

W.M. Sanger, pres., Wahpeton  
H.J. Argue, exec. dir., Bismarck



### NDBA Announces Candidates

The nominating committee of the four NDBA groups presented the following slate of candidates for group officer positions at the meetings scheduled September 16-19 in Devils Lake, Williston, Mandan and Wahpeton consecutively: Northeast group, president, Terry Zeltinger, president, Towner County State Bank, Cando; vice president, Wally Martz, president, The Goose River Bank, Mayville; secretary/treasurer, Peter K. McKenzie, vice president, Lamb's Bank of Michigan City; Northwest group, president, Gerald Long, president, State Bank of Bottineau; vice president, Gaylen Melgaard, vice president, Farmers State Bank, Crosby; secretary/treasurer, R. L. Brandvold, president, Merchants Bank, Rugby; Southwest group, president, Gary Flaa, president, Norwest Bank, Mandan; vice president, Gertrude Buscher, executive vice president, Bank of Beulah; secretary/treasurer, Ronald Braseth, president, First National Bank, Hettinger; Southeast group, president, Charles Feeney, president, Citizens State Bank, Enderlin; vice president, Roger Monson, president, Citizens State Bank, Finley, and secretary/treasurer, Tim Stern, president, Norwest Bank, Fargo.

Additional nominations were to be accepted from the floor during the group meetings. The four newly-elected vice presidents and the Southeast secretary/treasurer will begin two-year terms on the NDBA executive council following the 1986 convention.

### FDIC Plans Seminar

The FDIC is sponsoring a series of Call Report Preparation Seminars across the country. These seminars, one of which is scheduled for Fargo on October 24, are tailored for community banks and will cover the

1985 reporting requirements and schedules that have been troublesome for banks. The fee is \$42 per person for the eight hour program. It is designed for bank personnel who prepare call reports, bank data processing personnel, and external bank accountants. For additional information on the program, contact Barbara Dennis at the FDIC (800-624-6253).

### Two Elected in Bismarck

First Bank Bismarck recently announced the election of Daryl L. Tabor as assistant vice president and commercial loan officer and George E. Nygaard as vice-president and commercial loan officer.



D. TABOR

G. NYGAARD

Mr. Tabor has been a commercial loan officer with First Bank Bismarck since 1984 and has held other finance positions in North Dakota.

Mr. Nygaard was previously employed with First Bank Huron and has held other positions with First Banks in Montana and North Dakota.

### Industrial Commission Names Officers

The North Dakota Industrial Commission has named LaDonna Leingang and Rod Storhaug trust officers at the Bank of North Dakota, supervising several state trust activities. This is the first time in the bank's 66 year history that this officer title has been designated. Ms. Leingang joined the bank in 1976 in

the operations department. After holding several varied positions within the bank, she transferred to the investment and trust department in 1983. Mr. Storhaug joined the bank in the investment and trust department in 1984.



L. LEINGANG

R. STORHAUG

### Named in Bismarck

Norwest Bank Bismarck, N.A., has named Kenneth Roth as assistant vice president.

Mr. Roth joined Norwest Bank in 1977. Prior to joining the bank he worked as an administrative supply technician with the North Dakota National Guard in Bottineau, N.D.

### Appointed to Board in Minot

Glenn Dehlin was recently appointed to the board of First American Bank & Trust of Minot.

Mr. Dehlin is manager and a shareholder in Medical Arts Pharmacy in Minot and has been a pharmacist since 1950 when he started with Northwest Pharmacy.

### NDBA Advertisements Return to T.V.

After a brief summer break, the North Dakota Bankers Association statewide advertising program is once again hitting the television airwaves. One new 30-second television commercial is now being produced to add to NDBA's rotation of messages.

The new announcement will focus on the history of banking in North Dakota, keying on the continuing commitment of North Dakota bankers to the state, and their involvement in the state's growth and progress.

The commercial moves through a series of scenes beginning with early photos of historic North Dakota and

**NORTH DAKOTA NEWS . . .**  
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## Colorado

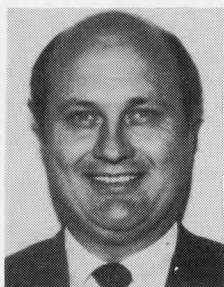
R.B. Clark, pres., Greeley  
D.A. Childears, exec. mgr., Denver



### V.P. Added in Englewood

Ernest G. Chesshir has joined Central Bank of Inverness, N.A., Englewood, as executive vice president. In this position, he is in charge of all lending activities at the bank.

Previously, Mr. Chesshir was senior vice president of the First National Bank and Trust Company of Enid, Okla., where he served as head of the commercial loan department and later of asset administration. Before coming to the bank in 1979, Mr. Chesshir was a national bank examiner for the comptroller of the currency.



E. CHESSHIR

### Staff Changes in Denver

Cherry Creek National Bank, Denver, announced the promotion of J. Thomas Hand to executive vice president and Timothy Webster to senior vice president of the commercial lending division. Two new officers and one board member were also named at the bank.

John Matthews has joined Cherry Creek National Bank as vice president in the commercial lending division.

Patricia A. Cook has been appointed assistant vice president in commercial lending with responsibility for executive and personal lending.

Richard A. Gartrell has been elected to the board of Cherry Creek National Bank.

Mr. Gartrell is vice president, secretary/treasurer of the Bill L. Walters Companies.

### Four Named in Denver

First Colorado Bank & Trust, Denver, recently named Steven G. Fobes, executive vice president;

Susan J. Lohmar and Dora L. Johnson, assistant vice presidents, and Jean Weaver, business development officer.

Mr. Fobes was promoted from senior vice president after three months with First Colorado Bank. He is responsible for managing the commercial lending, construction and real estate departments of the bank.

Mr. Fobes joined First Colorado Bank & Trust after 12 years with United Bank of Denver.

Ms. Lohmar has been promoted from operations manager, and her responsibilities include managing the bookkeeping department plus cash items, central file, loss control and utility clerks.

Ms. Johnson's new duties include the marketing and sales of non-credit services, product development and design, and providing support to calling officers. She joined First Colorado Bank & Trust in 1982.

### Boulder Bk. Adds One

James I. Collins has joined Colorado National Bank-Boulder as vice president/cashier.

Mr. Collins was most recently with Colorado National Bank-Northeast. He has 13 years banking experience, having also been associated with the Colorado National Bank of Denver and Saratoga State Bank, Saratoga, Wyo.

### Two Additions in Greeley

Robert N. Hinderaker and James L. Miles have recently joined Cache National Bank of Greeley.

Mr. Hinderaker was appointed vice president in charge of retail banking and marketing. He was previously associated with the First National Bancorporation/First of Southglenn, First Colorado Bank and Trust, and Affiliated Bankshares of Colorado.

Mr. Miles was appointed assistant vice president in the commercial loan department. Prior to join-

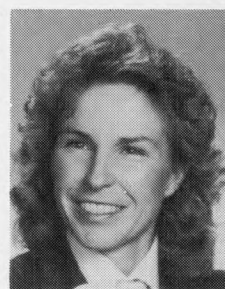
ing the Cache National Bank, he served with the Council Grove Production Credit Association, Cornbelt Chemical Company and was previously associated with the United Bank of Greeley as assistant vice president of the commercial loan department.

### Four Promoted in Denver

Colorado National Bank of Denver recently promoted Steve Young to vice president, Kathleen Curtis to assistant vice president, and Conly Gilbert and Maureen Kelly to officers.

Mr. Young has been with CNB for 24 years working in various positions such as trainee in the trust department, investment operations clerk, tax clerk, and tax division manager. He currently works as trust tax division manager in the financial services area.

Ms. Curtis, with 15 years bank experience at CNB. Presently, she works as manager of the deposit system implementation where she converts subsidiary banks to CNB data processing of deposit systems.



K. CURTIS

### V.P. Added in Ft. Collins

Fae L. Hicks has joined Colorado National Bank-Fort Collins as vice president-lending. Ms. Hicks brings 13 years banking experience to her position, and has managed large loan portfolios at several area banks. She received her BS degree in recreation administration from the University of Wyoming.

### Appointed in Englewood

First Interstate Bank of Englewood has appointed Jim Reser as installment loan officer. Mr. Reser has three years service with First Interstate as a bank collector and loan counselor.

### Elected to Board

Colorado National Bank-Tech Center, Denver, recently elected Larry Romrell to the board.

Mr. Romrell has been executive vice president/secretary and director of Western Tele-Communications Inc., a firm located in the Denver Technological Center, since 1961.



## Montana

R. Timmerman, pres., Butte  
J.T. Cadby, exec. v.p., Helena



### Promoted in Great Falls

Daniel P. Murray has been promoted to vice president of Village Bank in Great Falls.

Mr. Murray has served as assistant vice president and head of the installment loan department since his arrival in 1982. He transferred to Village Bank from the Bank of Columbia Falls, Columbia Falls, Mont., an affiliate bank, where he served three years.

Mr. Murray was previously employed by First Interstate Bank of Billings and prior to that managed the Billings branch of ITT Finance.

### RMA Announces Slate

The Montana Chapter of Robert Morris Associates, the national as-

sociation of bank loan and credit officers, has elected its new slate of officers and board of governors for the 1985-86 year.

The following bankers were voted into office: James L. Purdy, vice president of First Bank Great Falls, RMA chapter president; David A. Hansen, vice president of the First National Bank of Missoula, RMA chapter 1st vice president; Roger Bent, vice president of Montana Bank of Billings, RMA 2nd vice president; Douglas J. Edwards, vice president of First Interstate Bank of Billings, RMA Secretary-Treasurer. All of these officers also serve as a board member.

In addition, the following bankers were elected to the chapter's board of governors. Martin M. Olsson, vice

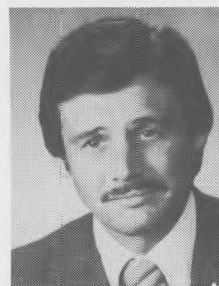
president of Ronan State Bank; David W. Jorgenson, vice president of First Interstate Bank of Billings; Paul G. Hoffman, vice president of First Bank of Miles City, and Thomas J. Wilkins, vice president of First Bank Western Montana Missoula.

### Changes Made at First Bank Great Falls

Wayne M. Hirsch has been elected vice president in the commercial lending department of First Bank Great Falls.

Mr. Hirsch joined the agricultural department at First Bank Miles City in 1976 and subsequently served as the manager of the commercial and agricultural divisions.

Michael D. Benton has joined the



W. HIRSCH



M. BENTON



I enjoy helping bankers find ways to improve their operations. Like introducing faster methods for clearing funds through Central Bank of Denver. But then you'd expect The Better Bankers® to help you maximize your resources.

Many area bankers routinely invest through us because we've consistently met and even exceeded their investment goals. And that's not all. I can also help you find money when you need it. We recently participate with a Colorado Springs bank to successfully finance a three-phase apartment complex.



agri-business department at First Bank Great Falls and will serve as an agricultural loan representative. Just prior to joining the bank he was the executive director of the Cascade County Agricultural Stabilization and Conservation Service. In

this capacity he administered U.S. Department of Agriculture programs in commodity loans, wheat and feed grain reduction, soil and water conservation and dairy diversion.

### Added in Glendive

Patti Raisl has joined the staff of the First National Bank of Glendive as internal auditor. She was previously employed by Delwin C. Nordvedt, CPA and the Comptroller of the Currency.

## Wyoming

H. Kreycik, pres., Douglas  
G. Tea, exec. dir., Casper



### Elected in Cheyenne

Randall L. Dancliff has recently been elected president and CEO of First Wyoming Bank, N.A.-Cheyenne.

Mr. Dancliff has been with First Wyoming since 1973, most recently serving as president and CEO of First Wyoming Bank-North Cheyenne.

### Abstract Report Conducted

An abstract report of the state

and national banks in Wyoming was recently conducted by Stanley R. Hunt, state examiner. Mr. Hunt reported the total assets of the 58 state banks is \$1,602,900; the total assets of the 58 national banks is \$2,822,489, and the total combined assets of both state and national banks is \$4,425,389. The total deposits of the 58 state banks is \$1,422,172; the total deposits of the 58 national banks is \$2,486,263, and the total combined deposits of both

the state and national banks is \$3,908,435.

Mr. Hunt also reported the net loans to deposits ratio for the 58 state banks is 58.92% and the equity capital to deposit ratio is 10.08%. The net loan to deposit ratio for the 58 national banks is 59.25% and the equity capital to deposit ratio is 9.66%.

### Promoted in Sheridan

The Sheridan National Bank, Sheridan, has promoted Carla J. White to operations officer. Ms. White joined the bank at its opening in February 1984 and has worked in several positions since that time. Prior to that she was employed for ten years at the Bank of Laramie, Laramie, Wyoming, where she held several positions in the bank including assistant auditor.



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Ray McMahon, Marlene Wagner.

  
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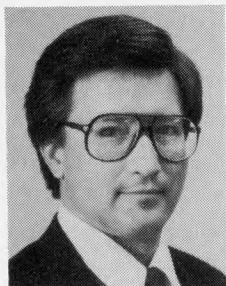
## Nebraska

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



### Gov. Bob Kerrey Appoints New Banking Director

James C. Barbree, 35, a native of Sutton, Nebr., has been appointed by Governor Robert Kerrey as director of the Nebraska Department of Banking and Finance. The appointment was effective October 1.



J. BARBREE

Mr. Barbree succeeds Roger Beverage, who resigned three months ago to establish his own firm with offices in Lincoln and Omaha for the practice of law.

Mr. Barbree received his B.S. degree in accounting from the University of Nebraska-Lincoln in 1972 and received his law degree from the university in 1975. After working with the Omaha office of Arthur Anderson & Co., a Chicago-based accounting firm, and then as senior tax consultant at Touche Ross & Co. in Lincoln, Mr. Barbree joined the headquarters staff of Bank Administration Institute in Rolling Meadows, Ill. He was BAI's principal research manager of tax services.

As the new banking director, Mr. Barbree also will assume duties as receiver of Commonwealth Savings Co.

Roger Hirsch, who has been acting director of the banking department for the past three months, is resuming his former duties as legal counsel in the banking department.

Charles Mitchell, who has been deputy director of the department since 1966, resigned September 30 to join the FDIC liquidation division in Omaha.

Mel Adams, president of the Nebraska Bankers Association and chairman of Keith County Bank & Trust Co., Ogallala, endorsed Mr.

Barbree's appointment, emphasizing that the new director's credentials as a CPA and attorney and his background with BAI give him strong qualifications for duties as director of banking. Mr. Adams stressed that NBA will maintain open com-

### Automation at Fueling Locations

**F**ARMLAND Industries, Inc., a farm supply and marketing cooperative headquartered in Kansas City, Mo., and NetWorks a Nebraska-based EFT (Electronic Funds Transfer) network, have entered into an agreement to provide automated fueling locations in 60 communities across Nebraska.

This is the first automated fueling project to use a statewide, totally shared electronic funds network. The first installation is scheduled for mid-October at the Lexington Cooperative Oil Company, Lexington, Neb. and it will be followed by an installation at the Firth Cooperative Company, Firth, Neb.

NetWorks provides EFT switching services for 321 member financial organizations in Nebraska. Over 420,000 Nebraska debit card holders will have access to the Farmland fuel delivery terminals. Additionally, these terminals will accept VISA and MasterCard credit cards and credit cards issued by the local cooperative merchant.

Farmland will provide a management information system through a totally integrated data processing network to its local retailers in addition to the variety of payment options.

Farmland has operated a "test site" in Waverly, Neb., for the past 15 months accepting debit cards only. The resulting success from both customer acceptance and increased retail sales have indicated to Farmland that the system should be expanded not only in Nebraska, but throughout its 19-state trade area.

munications with the director's office, as it has in the past.

### Bk. Dedicated in Norfolk

The DeLay First National Bank and Trust Company, Norfolk, celebrated its grand opening and dedication on September 14th. Festivities included a ribbon cutting ceremony and tours of the facility.

The family bank was founded by the late J.J. DeLay in 1930 and now is headed by his son, Bernard M. DeLay, chairman and CEO.

The DeLay First National Bank has been operating for 55 years and is one of three banks in Norfolk and one of the ten largest banks in the state of Nebraska.

"Convenience is the major factor in consumer's purchase decisions for fuel today," said Mike McReynolds, executive director, Refined Fuels Marketing, Farmland. "This system provides both the convenience of multiple payment options and 24-hour fuel availability. It is a natural outgrowth from the approximately 500 card and key lock fuel systems that have been installed by Farmland's local co-ops since the late '70's."

"We chose to start our project in Nebraska because of the progressive attitude of the banking community toward the shared network concept and retail point-of-sale (POS)," said Everett Osgood, project leader for automated fuel systems at Farmland.

"It is truly exciting for NetWorks to be part of this project. The membership's goal has long been to reduce the cost of processing a check by converting checks to electronic transactions. We have seen this goal materialize through the ATM (automated teller machine). POS projects such as this provide benefit to the merchant and the customer, as well as the financial community," said John Miller, executive vice president of NETS, Inc.

Farmland's system will use the Diebold TABS® 904 Automated Fueling Terminal. "This equipment was selected because of ease of consumer operation and similarities to ATMs," said Osgood. "Other considerations were the software support and the extensive service network offered by Diebold."

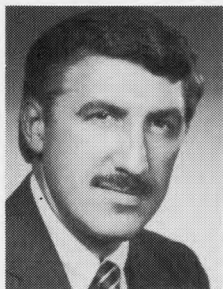




## Omaha

**Alan J. Rausch** and **Patricia M. Kelley** have been named vice president of FirstTier, Inc.

Mr. Rausch is assistant secretary and assistant treasurer of FirstTier, a Nebraska-based financial services company. He joined Omaha National Corporation, FirstTier's predecessor company, in 1977. He later served as manager of professional accounting and was named a second vice president in 1979.



A. RAUSCH



P. KELLEY

Ms. Kelley will be responsible for the personnel functions of all subsidiaries of FirstTier. She formerly was vice president and personnel director for First Oklahoma Bancorporation, Inc., an Oklahoma City-based bank holding company.

\*\*\*

First National Bank of Omaha has recently added ten new management trainees to its staff.

Of the ten, six are 1985 spring graduates. They are **Mike Eash**, **Matt Nyberg**, and **Mary Beth Walla**, graduates of the University of Nebraska at Lincoln; **Janette Fiedler** and **Kirk Yung**, Iowa State University graduates, and **Tom Rohling**, a graduate of Notre Dame University.

Also joining the bank are **Diane Morrison**, a graduate of Georgetown

University; **David Siders**, an Oklahoma State University graduate; **Susan Longacre**, a graduate of the University of Nebraska at Lincoln; and **Rick Jankovich**, a graduate of Central Missouri State University's MBA program.

\*\*\*

The Schools of Banking, Inc., Omaha, are now being handled by a new administrator, **Jone Beer**, Lincoln. Her office is situated in the NBA Building at 525 South 13th Street, Lincoln. All records have been transferred to the new administrative staff and any questions regarding the 1986 schools or past schools should be directed to Mrs. Beer (402) 474-1555.

\*\*\*

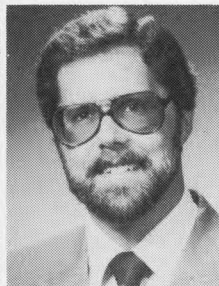
Norwest Capital Management and Trust Company of Nebraska recently announced the nomination of **John M. Bryg** and **Brock E. Lewis** as investment officers.

Mr. Bryg began working at Norwest Bank Omaha in 1957 and then spent 1958 and 1959 in the U.S. Army. He returned to the bank in 1960 and has held various positions in the bank. In 1968 he transferred to the trust investment department.

Mr. Lewis began working with



J. BRYG



B. LEWIS

Norwest Bank Omaha West (then Center Bank) in 1973 as a part time teller while attending college. In the next 12 years he worked as a new account representative, standard operating and procedures technical writer and trainer, retail lender, credit adjuster and personal banker.

Norwest Bank also announced that **Diane L. Buker** is among 1,348 secretaries in the United States and other countries who earned the Certified Professional Secretary (CPS) designation this year.

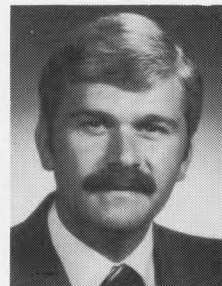
The CPS rating is achieved by passing a two-day, six-part examination administered by Professional Secretaries International and by fulfilling five years work experience and educational requirements.

Ms. Buker has worked for over five years at Norwest Bank Omaha in the commercial and real estate lending departments.

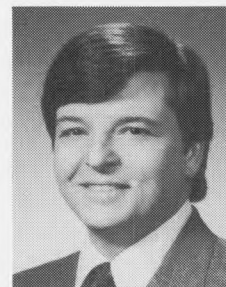
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Norwest Bank Omaha, N.A. announced the promotion of **Andrew L. Pearson** and **John J. Ramsey** to second vice presidents and **Louise S. Waszak** to regional training officer.

Mr. Pearson was promoted to second vice president in the sales finance department. He began working at Norwest Bank Omaha West in the installment loan department in 1975. Prior to that he worked for another bank and also a finance company



A. PEARSON



J. RAMSEY



L. WASZAK

for three years. Mr. Pearson was named assistant vice president at Norwest Bank Omaha West in 1984.

Mr. Ramsey was promoted to second vice president and is manager of the residential real estate department located at 13259 Millard Avenue.

He began working at Norwest





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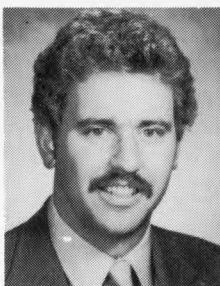
Gerry Tomka, Ralph Peterson, Fred Kuehl, Tom Jensen, Tim Smith, Todd Kruse.



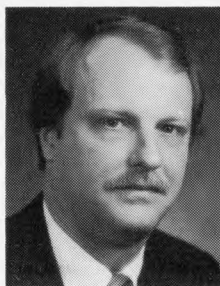
## Nebraska Independent Bankers Meet in Lincoln Nov. 7-8

**M**EMBERS of the Nebraska Independent Bankers Association will meet November 7-8 at the Voyager Motel convention center in Lincoln for their annual convention, according to Mark Buckley, president of NIBA and president, First National Bank, Wilcox.

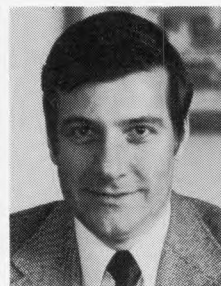
Other officers serving with Mr. Buckley during the past year have been Fred Otten, first vice president of NIBA and president, Commercial State Bank, Hoskins; Roy Yaley, second vice president, and president of Nebraska State Bank, South Sioux City; Phil Giltner, secretary, and president, First National Bank of



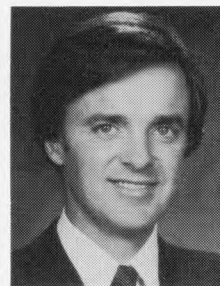
M. BUCKLEY



K.T. YOST



D. BEREUTER

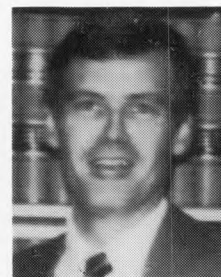


R. KERREY

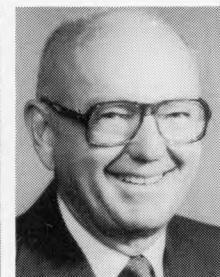
Omaha, and Robert C. Fricke, treasurer, and vice president of Farmers & Merchants National Bank, Ashland. Working with them at state association headquarters in Lincoln is Kurt Yost, executive director.

After registration beginning the morning of November 7, the NIBA board of directors will have a luncheon meeting. The afternoon session for all registrants will be devoted to a Farmers Home Administration loan workshop. That evening there will be a reception and seafood buffet.

On November 8, the convention



J. GUTHERY



B.F. BACKLUND

Bank in 1984 as regional liaison in the residential real estate department. Prior to coming to the bank he worked for a savings and loan in Des Moines, Ia., where he was assistant secretary, regional loan manager, branch manager, and appraiser.

Ms. Waszak was promoted to regional training officer. She began working at Center Bank in 1973.

starts with an 8:00 a.m. breakfast at which Rep. Doug Bereuter, U. S. Congressman from the First District, Utica, will be the speaker. After that portion of the program concludes at 10:00 a.m., John Guthery, president of the Nebraska Bank Attorneys Association, will give an address until 11:30 a.m. on "Supreme Court Rulings and Your Bank."

The noon luncheon speaker will be Nebraska Governor Robert Kerrey.

A "Regulatory Update" will be offered from 2:00 p.m. to 4:00 p.m., featuring James Barbee, Nebraska's new director of banking, and Charles Thacker, FDIC regional director, Kansas City.

During the afternoon business meeting the new officers for 1985-86 will be elected. The convention will conclude with the evening banquet, which will be addressed by B. F. "Chip" Backlund, president of the Independent Bankers Association of America and president, Bank of Bartonville, Peoria, Ill. □

### Addition in Neb. City

Brian L. Johnson has recently joined the Otoe County National Bank & Trust Co. in Nebraska City as assistant vice president.

Mr. Johnson is a graduate of Iowa State Ag Credit School and will be primarily working in the ag lending area. He was formerly assistant vice president with the Burt Savings Bank, Burt, Iowa.

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LEFT—Visiting at NBA Ag Conference luncheon were **Greg D. Stine**, chmn. of the conference and pres., Nebraska State Bank, Ord; **Tom Osborne**, head football coach, University of Nebraska, and NBA Pres. **Mel Adams**, chmn., Adams Banks, Ogallala. RIGHT—D.B. “Woody” **Varner** (second from left), chmn. of the UofN Foundation, received the NBA’s annual Award of Merit for his numerous and distinguished contributions to Nebraska agriculture. Pictured are, from left: NBA Pres. **Mel Adams**, pres., Adams Banks, Ogallala; **Mr. Varner**; **Dr. Roy Arnold**, luncheon speaker who spoke of Mr. Varner’s contributions, and **Rod Vandenberg**, pres., 1st Natl., Falls City, who presided at the noon luncheon.

#### At NBA Ag Credit Conference—

## Speakers Discuss Ag Loan Management, Bankruptcy and Alternate Crops

THE CONTINUING severity of the midwest ag crisis was underscored by the serious tone of talks delivered at the Nebraska Bankers Association’s 1985 Ag Credit Conference at The Cornhusker in Lincoln early last month. For the 186 registered bankers (and 83 spouses), the one and one-half day conference covered loan administration management, bankruptcies and their consequences, a legal update and the new Farm Bill, and a look at alternate crops and markets.

Presiding at the conference was **Greg D. Stine**, president of Nebraska State Bank in Ord and chairman of the NBA lending committee.

The opening address by **Marlin D. Jackson** was printed in the *Weekly Newsletter* (Sep. 16) under the title, “Straight-Talking Advice to Bankers.” Mr. Jackson is commissioner of the Arkansas State Banking Department, is former president of a bank in Paragould, Ark., and was a nationally-known member for several years of the ABA Ag Banking Division. As noted in his talk printed earlier, his stress was on good management.

**Kirk Jamison**, recently appointed as Nebraska state director of Farmers Home Administration displayed a chart that showed each step in the Guaranteed Loan Processing stream and said it generally takes eight weeks, with five weeks projected as the best time if everything goes smoothly. He said that since many

circulars from federal bank examining agencies now call for the same information as FmHA requests, then this should help on bank examinations. “We want current financial statements,” he stressed, “not ones three months old, for at the end of the eight-week processing period those statements are five months old.”

He said applications may be expedited by using form 449-12, which is the application form, “since the information you supply is transferred to this form by our people.” Because of the complexity of these loans, he suggested bankers may wish to run them by the bank attorney. Mr. Jamison closed by saying, “The outlook for all of us in the industry is grim. We feel some people are placing their expectations on us beyond our ability to fulfill.”

**Steve Turner**, an Omaha attorney, discussed “Bankruptcy” and told the audience, “Bad or weak documentation will be highlighted in any litigation or bankruptcy proceeding, which leads to more expense in legal fees and loss of collateral value. So, document properly from the beginning!” He listed these three significant problems that continue to occur:

1. Failure to obtain all signatures—allow no deviations.
2. Lack of legal description for growing crops, both in the security agreement and in the financial statement.
3. Failure to lend, or to reach a lending commitment. He cited an Iowa Supreme Court case in which the lender agreed orally after application was completed to loan the money, then was told “No” later. The applicant sued for the \$25,000 not loaned and the profits lost. The bank had to pay \$104,000 plus \$80,000 in punitive damages.

Mr. Turner had an extensive 205 page section of material in the handbook given to each registrant.

**J.B. “Joe” Dresselhaus**, a Lincoln CPA, discussed “Tax Consequences” of bankruptcy and forced sales.

**Bill Brandt**, NBA general counsel, gave his “Legal and Legislative Update,” which included comment on the Double Jeopardy bill now before the House and Senate at the instigation of grain and livestock buyers who want Congress to give them immunity to any bank’s secured lien position. Mr. Brandt said a “grass roots letter campaign” by banks and farm customers to all Senators and Representatives, especially those on the ag committees, is needed immediately.

**Dr. James G. Kendrick**, University of Nebraska professor of agricultural economics, spoke of the “1985 Farm Bill Impact on Nebraska.” He reviewed historical ag events following World Wars I and II and the effect of various farm policies. Based on all that analysis he stated, “the general policy strategy of people working on the Farm Bill is to make us competitive in world prices. I don’t see that mood

NBA AG CONFERENCE . . .

(Turn to page 48, please)





**Lincoln**

**Marilyn M. Borchardt** has been elected assistant vice president in First National Lincoln's Metropolitan Banking Division.

Mrs. Borchardt joined First National Lincoln in 1981 and was named commercial banking officer in 1983. She is a graduate of the University of Nebraska-Lincoln.

Also in the Metropolitan Banking Division, **Emily Zimmer** has been promoted to commercial services officer. Ms. Zimmer joined First National in 1980 as an administrative assistant and attended Nebraska Wesleyan University and UNL.

\*\*\*

**Havelock Bank** recently announced the appointment of **Charles Heinke** to executive vice president.

Mr. Heinke, who joined the bank in 1973, is a graduate from the University of Nebraska as well as a past president of the Lincoln chapter of the American Institute of Banking. He has also served as an instructor for courses on modern banking.

\*\*\*

On August 19, **James Stuart, Jr.**, president and chief executive officer of First Commerce Bancshares, Inc. and the Commerce Group Companies, announced that on August 16 the First Commerce Exchange Offer expired according to its terms. Results of the Exchange Offer were excellent, Mr. Stuart said, with a combined percentage of over 98%.

The transaction has previously been approved by the Federal Reserve Board and thus, on Aug. 30, First Commerce Bancshares intends to accept all shares tendered for exchange. First Commerce Bancshares, Inc. stock certificates will be mailed to participating stockholders after that date.

Upon closing, First Commerce Bancshares, Inc. will be the parent holding company of the following operating companies: National Bank of Commerce Trust & Savings Association, Lincoln; First National Bank of Kearney, Kearney; Overland National Bank, Grand Island; First National Bank of West Point, West Point; North Platte National Bank, North Platte; City National Bank & Trust Company, Hastings; Commerce Affiliated Life Insurance Company; Commerce Savings Lincoln, Inc.; Commerce Savings Columbus, Inc., and Commerce Savings Scottsbluff, Inc.

#### NBA AG CONFERENCE . . . (Continued from page 47)

changing. An alternative would be a fundamental change in farm policy; i.e., tight farm production controls that would remove 60 to 80 million acres. I don't see any ground swell to favor of such an approach."

An interesting, intriguing presentation on "Alternative Crops and Markets for Nebraska Agriculture" was presented by **Dr. Lowell D. Satterlee**, professor and head of food science & technology department and director of the food processing center, and **Terry McAuliffe**, marketing specialist in the food processing center, both at the University of Nebraska.

Dr. Satterlee gave a long list of commodities which Nebraska has the potential to expand both in production and processing. These include dry beans, potatoes, eggs and various cereal grains.

The conference concluded with a noon luncheon the following day at which D.B. "Woody" Varner was honored for his distinguished record

of service to agriculture and Nebraska. Dr. Varner is chairman of the University of Nebraska Foundation, a post he has held since 1977. He was presented the NBA's 1984 Spirit of Agriculture Award by NBA President Mel Adams, chairman of Keith County Bank & Trust Co., Ogallala. Dr. Varner has a long list of achievements and leadership roles to his credit and is a highly respected figure in the state. He moved to Lincoln in 1970 as Chancellor at the University of Nebraska and became president in 1972, the position he held until 1977. □

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**HOSTS** for First National Lincoln's 1985 Correspondent Bank Conference are pictured in left photo, left to right: **Bill Smith**, chmn. & CEO; **Orrin Wilson**, exec. v.p., and **Gary Bleck**, v.p. and head of corresp. bank div. **RIGHT**—Panelists for the traditional Saturday morning Ag Panel were, from left: **Dale C. Tinstman**, **Robert Cartmill**, **Jack Maddux**, **Carson Rogers** and **Dr. Roy Arnold**.

## 1st National Conference Draws 700

By **BEN HALLER, JR.**  
Publisher

**N**EARLY 700 bankers and spouses attended the First National Lincoln's Correspondent Bank Conference in early September at The Cornhusker in Lincoln. They were guests of the bank at a cocktail-buffet reception Friday evening.

After a group breakfast Saturday morning, registrants were welcomed by Bill Smith, First National president, and Gary Bilck, vice president and head of the correspondent bank division. Mr. Bilck announced the winners of the "Crystal Ball" contest conducted at the 1984 conference, which showed that several spouses outperformed all the bankers in predicting various commodity prices and market indices. Mr. Bilck then introduced members of "The Livestock, Grain and Feed Outlook" panel, all five of whom were also on the 1984 Conference ag panel. They were: Dr. Roy Arnold (moderator), vice chancellor, Institute of Ag and Natural Resources, University of Nebraska-Lincoln; Robert Cartmill, president, Lincoln Grain, Inc., Lincoln; Jack Maddux, rancher-livestock producer, Wauneta; Carson Rogers, state senator and swine producer, Ord, and Dale C. Tinstman, director and former co-chairman, Iowa Beef Processors, Dakota City. Summaries of their opening remarks follow:

**Mr. Cartmill:** Each year he prepares a "Corn Balance Tables" which charts carry-in stocks, production, amount fed domestically, exports, other usage, carryout September 30 a year hence, government isolation programs, and free carry-

overs September 30 a year hence. His chart shows total supply for crop year from 1971-1976 ranging from 5.185 billion bushels of corn to 6.707 billion. It went to 7.391 billion in 1977, in the 8 and 9 billion bushel range the next four years, then soared to 10.429 billion bushels of corn 1982. The total usage that year of 7.106 billion was the lowest since 1978, resulting in a new high carryout September 30 of 3.123 billion, or a 57.5% increase over the 2.110 billion carryover a year earlier. That excess resulted in the PIK program.

**Mr. Maddux:** Our problem in the past 8-9 months was a self-inflicted wound. We had almost total consensus we'd have a very good fed cattle market. But, we had unprecedentedly good feeding weather, with gains one-third of a pound better than normal. Everybody kept waiting for the turnaround, and carcass weights went from 624# to about 645#. Slaughter was down 3% but tonnage was up 1%. That 1% equals 20,000 more head per week.

The problems of the past 8-9 months is a passing thing — the basics remain the same and slaughter is reducing cattle numbers. On January 1, 1985, there were 109.8 million head; by January 1, 1986, that is estimated to be 106.5 million head. Records show 10% of today's slaughter is reducing cattle numbers, all of it in feed cows. The calf crop will be our smallest (41 million) since 1961. But, the same calf crop will produce today 24 billion pounds of meat, as opposed to 21 billion in 1961.

Sometime in the next 2-3 years we'll have a significant reduction in beef supplies. We won't produce ton-

nages the next three years as today. Now is the time to be a contrarian again and anticipate better markets the next three years. I hope bankers will stick with cattle feeders who have a good beef plan.

**Carson Rogers:** Pork has a much faster turnaround than beef so there is more opportunity to change directions. There is 3-4% less breeding herd today. One thing that will help us as much as anything is cheap corn. We eat every pound of meat produced — none is thrown out. Price controls.

I believe we'll get back up to the break-even point. If \$47.00 is that point, it will probably take until the third quarter of 1986. With cheap corn we can feed out \$40.00 hogs. The other side is to liquidate, and we anticipate a 2-4% reduction in breeding herds to get back up to that \$47.00 level.

**Mr. Tinstman:** As of August 24 we had 2% fewer cattle in the market; about the same with hogs. The total red meat supply to date is up 2%, poultry is up 6%. We're not through with the diet/nutrition issue. Much of it is not proven and we haven't told our story well enough. We haven't yet cleaned up our oversupply of beef, and good weather and grass are bringing in heavier cattle. The midwest is pretty well cleaned up, but there are still problems in the south and south-west.

After an extended question and answer period the morning session closed so all guests could go across the street to First National's building for a reception and lunch. Following that, they adjourned to nearby Memorial Stadium where the final news was as bad as the cattle market — Nebraska lost by a narrow margin to Florida State. □



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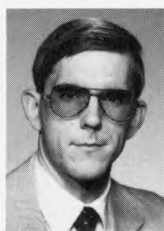
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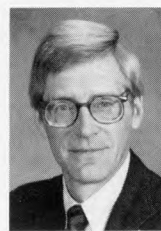
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**John Miller**

Vice President and  
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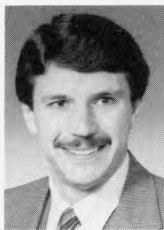
**Ben Elders**

Senior Vice President  
Bank Acquisition  
Loans



**Arnie Ripperger**

Vice President  
Eastern Region



**Donald H. Jordahl**

Vice President  
Central Region



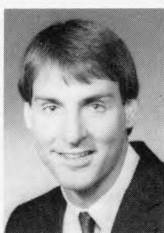
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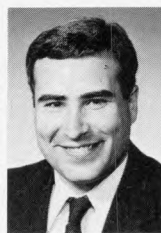
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**OFFICERS** of the Iowa Bankers Association for 1985-86 are, from left: Pres.-Elect—**Russell S. Howard, Jr.**, chmn., Mahaska State; Immed. Past Pres.—**William Logan**, pres., The State Central Bank, Keokuk; Pres.—**J. Bruce Meriwether**, pres., First Natl., Dubuque; Exec. V.P.—**Neil Milner**, Des Moines, and Treas.—**Fred W. Hagemann**, pres., State Bank of Waverly.

## Bruce Meriwether Named President to Lead Iowa Bankers in Centennial Year

By **BEN HALLER, JR.**  
Publisher

**ROBERT CRONIN**  
Associate Publisher

and

**CARLA LUKENBILL**

**DIANE NELSON**

Associate Editors

**J.** BRUCE Meriwether, president of the First National Bank in Dubuque, was installed as president of the Iowa Bankers Association at the 99th annual convention in Des Moines last month. Mr. Meriwether succeeds William Logan, president of The State Central Bank of Keokuk.

The new president-elect is Russell S. Howard, Jr., chairman of the Mahaska State Bank in Oskaloosa. Named to a two-year term as treasurer is Fred W. Hagemann, president, State Bank of Waverly, who succeeds Richard Randall, president, Dunlap Savings Bank.

During the coming year, the IBA will conclude its first century of service to the industry and will celebrate the Centennial Convention next September in Des Moines. Referring to the year ahead, Mr. Meriwether said in his acceptance address at the Tuesday evening Inaugural Banquet, "In the banking industry it is time to rebuild our image. A time to put forth great effort so that *trust* and *safety* and *confidence* are reinstated and synonymous with banker and banking.

"Soon, we will be engaged in the activities of the 100th year of this association, an association that

counts over 600 banks as its members. What a marvelous opportunity lies before us to see what we as individual professionals are made of and, indeed, how strong this banking system of which we are all so proud really is...The time has come to stop analyzing the fault process and to get on with the challenges and opportunities of our time."

Mr. Meriwether asked his audience to think about what would happen if bankers had to seek public election as president or senior officer of the bank. He said "wouldn't we build our campaigns on our track record of professionalism and citizenship, or entrepreneurial spirit and charitable understanding?" He said such a consideration might give the "renewed vitality (that) must come for all of us if we are to face an uncertain future successfully."

Mr. Meriwether also called on bankers to use their skills *pro-active*ly "to change and *hold accountable* the influences outside our industry, but influences that can affect so dramatically the people of this state and nation—primarily, of course, government!" He concluded by saying, "Now is a time for change and we, as bankers, need to be deeply involved in forging these changes—

specifically for our industry, but also for a better world. "And so, we embark on a new year, utilizing it, the 100th year of this association, as a time of renewal, of involvement and, of course, celebration!"

### Extracurricular Events

Two events outside the regular program of speakers are worthy of note. One was the "Capital Pursuit" three-mile fun run and 10-mile advanced run. More persons were registered than last year but rainy weather caused some "no shows." Despite that, a new record for "Capital Pursuit" was set in the 10-mile run.

The other was the "Sunrise Fellowship Service" at 6:30 a.m. Monday. Despite the early hour, more than 200 persons were on hand to hear the inspirational message and beautiful singing of Vonda Van Dyke, now of Minneapolis and a former Miss America contest winner. Everyone felt well rewarded for making the early morning effort.

### Annual Business Meetings

Following the custom of recent years, the annual business meetings of the IBA and its subsidiaries and of Iowa Bankers Insurance & Services, Inc. were held Sunday afternoon.

Bruce Meriwether discussed the new structure of the legislative committee, which will be made up of the 10 IBA Group Chairmen, elected IBA officers and two at-large appointees (one independent and one holding company banker). This replaces a much larger committee which was difficult to assemble at one time. Since each Group Chairman serves two years and is succeeded by the Group Secretary, "this will give us a continuing stream of committee experience," Mr. Meriwether noted.

In addition, he stated, the recently announced Committee of 99 consists of a key banker appointed in each of the 99 counties. Grass roots input from each of these members, gleaned from fellow bankers on each issue, will provide needed input to the Legislative Committee which, in turn, makes recommendations to the IBA Board of Directors so legislative positions may be adopted.

Mick Gutttau, president, Treynor State Bank, who agreed to chair the legislative committee again this year, said the timetable for the Committee of 99 is critical since input





**LEFT**—Five of the ag speakers at the Monday a.m. session were, from left: **John Marten**, staff economist, *Farm Journal* magazine; ag panellists **Rep. Cooper Evans**; **Mike Boehlje**, asst., dean, College of Agriculture, Iowa State; **Alan Tubbs** (panel moderator), pres., First Central State Bank and chmn. ABA Ag Division, and **Jim Schurr**, sr. v.p., Farm Credit Corporation, Denver. **RIGHT**—Monday's final speaker was the popular **George Raveling** (second from right), U. of Iowa basketball coach, shown here with **Bill Logan**, IBA pres.; **Randy Steig**, IBA exec. dir., and **Wes Ehrecke**, IBA govt. rel./ag dir.

from those members is needed by November 14, on which date the Legislative Committee will reach a consensus based on information supplied by the 99 key bankers. The Legislative Committee will then make its recommendations to the IBA Board, which plans to meet November 15.

Mr. Meriwether said a series of "town hall" meetings will be held by the Legislative Committee throughout the state during IBA's coming Centennial Year and people from local businesses, civic and governmental bodies and private individuals will be free to attend the meeting with area bankers and legislators to discuss the current issues.

Delegates to the annual meeting approved two amendments. The first adds two at-large members on the IBA Board—one independent banker and one holding company banker, each to have a two-year term but not to succeed themselves.

Dan Kelley, president of Danville State Savings Bank and chairman of IBIS, along with IBIS President Al

Tinder, gave the financial report on IBIS. Special reports also were submitted by the banker chairman of each IBA subsidiary—ITS, Inc., IACHA and IBMCM.

During the meeting of ABA members, Bill Logan was named state vice president for ABA for two years. L.C. "Bud" Pike, chairman, Hawkeye Bank & Trust, Grundy Center, continues in the second and last year of his term as member of the ABA Council. Ben Eilders, senior vice president, Bankers Trust Company, Des Moines, was announced as ABA membership chairman for Iowa.

#### Ag Panel

Following tradition, Monday morning's general session addressed agricultural topics. The first session was a panel moderated by Alan Tubbs, president, First Central State Bank, DeWitt, and featuring Dr. Michael Boehlje, assistant dean of Iowa State University's College of Agriculture; James Schurr, senior vice president of Farm Credit Corp. of America, Denver, and Congress-

man Cooper Evans.

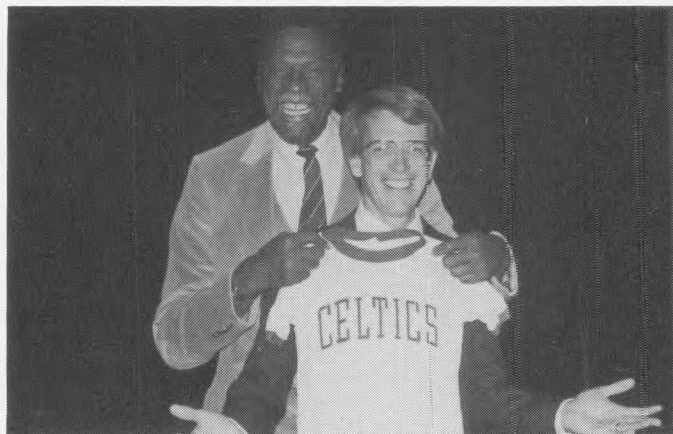
Mr. Tubbs voiced bankers' general concern over the effect of today's economy on the agriculture industry. "No one expected that agriculture would have to bear such a disproportionate burden of the recovery from the inflationary spiral," he said. He noted that such circumstances cause polarization; in this case, borrower versus lender.

Dr. Boehlje's opening statement began with the observation that the financial stress problem in agriculture is real, national, structural not cyclical, and will result in an adjustment phase that will last the next three or four years.

He cited the results of a Wharton Econometrics study which indicated the farm crisis could lead to losses by financial institutions totalling \$20-\$25 billion in the next few years, even with good government support. That, in turn, could lead to:

- A 75 to 125 basis point increase in interest rates.

- The loss of 175,000 to 275,000 jobs within and outside of the farm sector.



**ONSTAGE** and backstage there was both seriousness and fun. **LEFT**—IBA Pres. **Bill Logan** and **Rev. Alan A. Herbst**, Keokuk, join **Vonda Van Dyke** in singing "Battle Hymn of the Republic" at the enthusiastically received Sunrise Fellowship Service. **RIGHT**—Guest speaker **Bill Russell**, now 51, and everybody's All American and All Pro basketball player with the Celtics, drapes a Celtics t-shirt across **Wes "Shorty" Ehrecke**, IBA govt. rel. dir.





**LEFT**—ABA Pres.-Elect **Don Senterfitt** (2nd from left), vice chmn. Sun Banks, Orlando, Fla., was welcomed to the convention by, from left, **L.C. Bud Pike**, chmn., Hawkeye B&T, Grundy Center and ABA Council member from Iowa; **Bill Logan**, pres. of IBA and pres., The State Central Bank, Keokuk, and **Nell Milner**, IBA exec. v.p. **RIGHT**—**Tom Sullivan** is pictured after his inspiring talk with several admirers, from left: **Joan Logan**, **J.C. Milner**, **Barb Lowe** of the IBA staff, **Chris Steig**, and **Claudia Ross** of the IBA staff.

- A \$30-50 billion reduction in the GNP.

- A \$14-21 billion increase in the national debt.

Dr. Boehlje recommended the following adjustments:

1. Lower interest rates to allow cash flow even with lower prices.

2. Reduce supplies without giving the market away to other countries.

3. Accept lower valued capital assets.

4. Lower debt load or redistribution of debt (right now we have too few farmers bearing too much debt).

5. Redistribute asset ownership.

Dr. Boehlje concluded by observing increasing hostilities in ag lending. "I see more and more an unwillingness in the farm community to be cooperative with the lending community," he said.

**James Schurr** of the Farm Credit Corp. called the nation's Farm Credit System "seriously threatened," and said the worst problem is a broad asset values reduction, amounting to \$250 billion in the last five years. He noted the serious

undercollateralization of Land Bank loans—\$6 billion out of the \$50 billion total—and called it a forerunner to serious problems in the future.

Mr. Schurr also offered assurances that the FCS is working to make improvements. The Farm Credit Corp. was chartered this year to coordinate and administer the entire program. Thirty-three banks have been restructured to increase efficiency. PCAs and FLBAs are being consolidated within their districts. Bad debts in Spokane and Omaha banks are being disposed of, and other FCS banks are contributing \$135 million to the two banks. A legislative committee has been formed to determine the best form of federal financial assistance for the Farm Credit System.

**Rep. Cooper Evans** commended FCA Governor Donald Wilkinson for admitting the problem in the FCS, because it allowed Congress to begin to act. He said, "I am firmly convinced that Uncle Sam is going to have to do something to bail out the FCS soon, and there will be a

serious attempt to have a farm credit bill passed out of the House by the end of the year."

**Rep. Evans** expressed doubt as to the efficacy of the FCS's actions to make improvements. Regarding Gov. Wilkinson's statement that help would come in 18 to 24 months, **Rep. Evans** said he suspected this was "illusory." He cited the inability of reserves to be shifted where most needed and said last winter's restructuring will not even begin to cash flow this year.

**Rep. Evans** noted aid to the ag lending community is available even under existing law, using the example of the Federal Reserve Board, which would be able to help in the instance of a serious liquidity problem.

As for new legislative possibilities, he listed seven possibilities, stressing that in view of the deficit, low cost, "soft money" measures were preferable.

1. Guarantee the Farm Credit System bonds sold on Wall Street.

2. Ask FCS, possibly with federal



**LEFT**—**Ty Logan** (left), v.p., and his father, **Bill Logan** (third from left), pres. of The State Central Bank in Keokuk, are pictured with several of their luncheon hosts from LaSalle National Bank—from left: **Wayne Blsmark**, v.p.; **Peter McGuire**, v.p. and head of corr. bk. div.; **Homer Livingston, Jr.**, pres. & ceo., and **Del Rogers**, v.p. **RIGHT**—Omaha National Bank hosts **John Wear**, 2nd v.p., and **Del Olson**, v.p. (both standing) are pictured with guests **Dick Randall**, pres., Dunlap Savings, and **Katie**, and **Helen** and **Mark Langenfeld**, pres., Farmers T&S, Earling.





**SHOWN** at Norwest Bank Omaha reception are, from left: **Chuck Undlin**, pres. host bank; **Tony Payne**, pres., 1st Natl., Council Bluffs; **Tom Awtry**, pres., Valley State, Rock Valley; **Mike Moeller**, pres., Norwest Bank Sioux City; **Ed Kohout**, sr. v.p., and **Bill Dewhurst**, v.p., both with Norwest Omaha; **Dick O'Bryan**, pres., Harlan Natl.; **Ernie Liljedahl**, v.p., 1st Natl., Essex, and **Howard Nielsen**, v.p., Norwest Omaha.



**LEFT**—A family get together at Norwest Bank Des Moines breakfast found Exec. V.P. **Lynn Horak** of Norwest (standing left) visiting with his Norwest associate **John Rigler** (standing), v.p. in charge of fin. inst. gp., and John's parents (seated)—**Robert Rigler**, pres., Security State, and **Mrs. Rigler**. **RIGHT**—Two host couples at 1st Natl. of Omaha dinner party were **Gretchen** and **Phil Giltner** (seated left), pres., and **Fred Kuehl** (standing), v.p., and his wife, **Janet**, with guests **Kathy** and **Tom Whitson**, pres., Council Bluffs Savings.

help, to redeem high interest bonds sold several years ago.

3. Establish central reserve capital funds for FCS, using a certain amount of federal seed money.

4. Ease capital requirements of some institutions (PCAs now require 10%).

5. Use capital or net worth certificates in community banks (although he expressed that the manner these were used in S & Ls was "very irresponsible").

6. Provide some kind of ag credit corporation to buy questionable mortgages.

7. Insure fixed rate, long term land mortgages. Money raised on Wall Street for ten and fifteen year bonds should be available to ag community banks as well as Land Banks.

In the panel discussion that followed, the audience was invited to make comments as well. Mr. Tubbs began by urging cooperation between the ABA and IBAA in supporting legislation. He said lack of this in the past has impeded competition between banks and the FCS.

An audience member voiced concern that the FCS will become a nationalized national bank, and thus have an unfair advantage over banks. Rep. Evans said Congress will insist on strong borrower/owner control and resist extreme centralization of the farm credit system. Mr. Schurr added that when the FCS requested federal assistance, it was told that would mean additional federal control as well.

Dr. Boehlje noted that the FCS is limited because of the lack of diversity in its loan portfolio from making competition more fair. In this vein Rep. Evans said the Ag Committee would not want to broaden the jurisdiction of the FCS beyond ag loans because then the issue would leave their own committee and go to the Banking Committee. Mr. Schurr added that FCS's own directorate had agreed it would be best not to seek other forms of lending authority.

The question was asked whether short-term lending bankers should cease their past policy of referring long-term lenders to FCS. Mr.

Schurr answered that FCS would not break up long term farmer/community bank relationships, but it would make itself available to new lenders.

In response to another question, Mr. Schurr gave assurances that while its position has softened somewhat, the FCS will not dump land on the marketplace on a large scale.

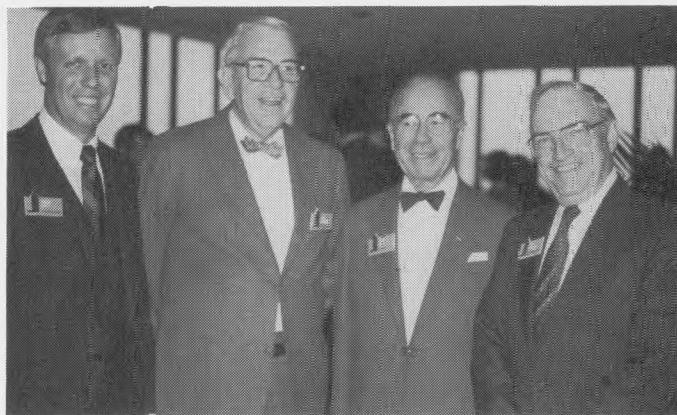
When asked about public sympathy for ag problems, Rep. Evans said there is sympathy, but all parties want to avoid large expenditures. In the case of FCS, he said, the involvement of so many lenders made intervention necessary. An audience member drew applause when he called federal assistance to the FCS "grossly unfair" in view of the lack of assistance available to the failing commercial bank. Rep. Evans agreed but said the situation will not change since only a threat to the financial structure of the whole U.S. can draw the attention of policy makers.

The discussion concluded with a couple of practical suggestions by Dr. Boehlje for lenders seeking to be

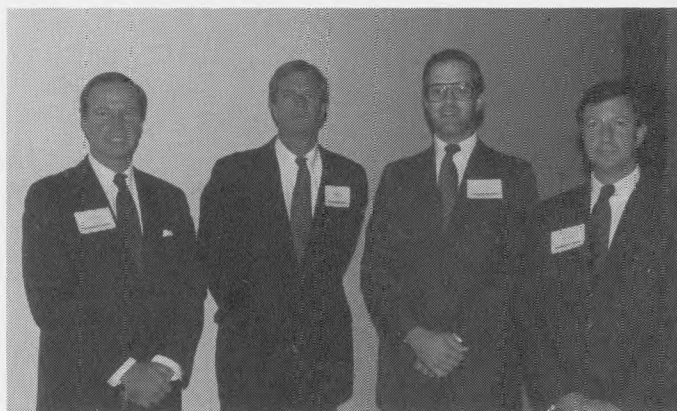




LEFT—Greeting guests at Drovers Bank of Chicago reception were, from left: **Vicki and Frank Bauder**, vice chmn. of Cole Taylor Financial Group; **Lillian and Max Roy**, sr. v.p. of Drovers, and **Ruth and Jim Carmody**, chmn., Drovers. RIGHT—Guests at Bankers Trust of Des Moines reception were greeted by **Dennis Wood**, exec. v.p.; **John Chrystal**, pres.; **John Ruan**, chmn., and **Ben Elders**, sr. v.p.



LEFT—**Barbara and Bill Kruse** (left), chmn., 1st Natl., Dubuque, are pictured with **Ellamae and Tom King**, v.p., 1st Natl. Chicago at the latter bank's dinner party. RIGHT—Pictured greeting guests at Davenport B&T reception were **John and Tom Flgge**, both pres. of the bank; **Mike Bauer**, 1st v.p., and **John Flgge**, pres.



more effective: 1. Gather more performance-oriented data about borrowers. 2. Change strategies so documentation is done yearly, to prevent surprises.

#### Other Ag Speakers

Next on the lineup of speakers was **Dr. John Marten**, staff economist for *Farm Journal* magazine. His presentation, "Commodity and Land Value Outlook," began optimistically by noting that not all farmers are in financial trouble. He pointed out that 33% of midwest farmers have low or no debt. The average debt/asset ratio in Iowa is 40%, rather high, and age varies inversely with debt.

**Dr. Marten** referred back to **Alan Tubbs'** earlier remark concerning the disproportionate loan borne by agriculture in the recovery from inflation. He said, "We accidentally had one of our little pinkies in each of the doors that got shut." He noted that farmers were hard hit because 1. they produce commodities, 2. they own real estate and 3. they are strongly affected by inflation.

**Dr. Marten** said the farm failure

projection now is at a level of 5-6%, two to three times the normal rate. He blamed the high level on factors such as the weakening of the dollar, high trade deficit, high real interest rates, and the cut in inflation. He did feel if inflation stays at 3-5%, interest rates eventually will come down.

The final speaker of the morning session was **Victor Rice**, chairman and CEO of Massey-Ferguson Ltd., whose speech was entitled "Is There Life after Deflation?"

#### Afternoon Speakers

**Donald Long**, finance industry consultant with IBM, in his afternoon presentation "Future Trends in Banking Services," advised bankers as to future changes in the industry and how to meet them.

He put particular emphasis on the need for marketing, saying "Marketing is the field on which this game is going to be won or lost." He urged bankers to change their "application mentality," the belief that in banking, customers apply, and bankers do not sell. On the contrary, he said, bankers need to get out and compete for customers.

**Mr. Long** recommended banks know their customers better, both to insure they possess profitability and to improve marketing. He pointed out that customers are becoming investors rather than savers; therefore, the relationship ought to be one involving broad financial services.

**Mr. Long** predicted increasing use of electronic transactions and self-service delivery facilities. Such developments will result in increased convenience for customers as well as savings for banks in paper costs and error.

Above all, **Mr. Long** urged bankers to be flexible. He observed that in the future of banking, "A no change scenario is an out-of-business scenario."

Noted economist **Dr. Barry Asmus**, in his presentation entitled "Economics and the Spirit of Enterprise," discussed banking in view of the free market, limited government economics he espouses. He attributed the success of America to the fact that it was based on a system of private ownership capitalism—the idea of freedom—which leads to a spirit of entrepreneurship, savings





**LEFT**—Enjoying themselves at the breakfast hosted by Security Natl. of Sioux City were, from left: **Jim Miller**, chmn., Pioneer Valley Svgs., Sergeant Bluff, and **Jane; Sylva** and **Max Kleman**, pres. & chmn., Alton Svgs., and **Gordon Mennen**, pres., Le Mars Sav. Back row: **R.E. Hagen**, pres. & c.e.o., and **Dennis Nahnsen**, v.p., corr. bkg. serv., Security Natl. **RIGHT**—Also attending the Security Natl. breakfast were: left, **Ken Ogren**, v.p., Farmers St., Marcus, and **Kathy; Dennis Gano**, v.p. & tr. off., Cherokee St., and **Barbara; Norm Rossow**, v.p., Farmers St., Schleswig, with **Margaret** and **Dennis Nahnsen**.

and investment and, finally, success and growth. He said, "Privatization is a beautiful wind sweeping across this country," and urged bankers to follow this trend. Dr. Asmus' talk was entertaining and inspiring, and moved those present to agree with his observation, "The mainspring of human progress is freedom."

**George Raveling**, head basketball coach at the University of Iowa, Iowa City, brought Monday's general session to a rousing close and was warmly welcomed by all.

#### Tuesday Morning's Session

Tuesday morning's session opened with comments by **Iowa Governor Terry Branstad**. Gov. Branstad expressed his feelings that the federal government is responsible for current economic problems and it is time they acted to correct them. He said the times will require tough sacrifices but that he was confident Iowa's bankers would give the support and understanding needed. (A transcript of the Governor's speech appeared in the Sept. 30 *Weekly Newsletter*.)

**Alex Sheshunoff**, founder of Sheshunoff & Company, spoke on the topic "High Performance Banking and Analyzing High-Pricing, High-Quality Banks." He stated "The key thing is to keep thinking entrepreneurially," and urged bankers therefore to strive for high quality service and relationship banking.

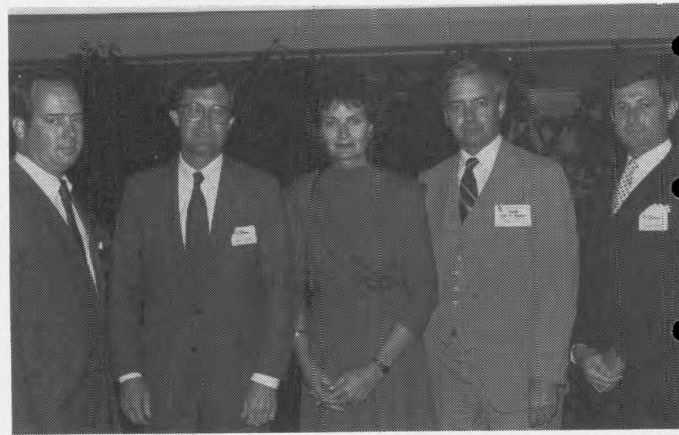
In terms of alternatives open to bankers today in the areas of merging and franchising, Mr. Sheshunoff recommended a new charter alternative. Stating "The challenge of the future is going to be how to generate good loans," he showed how this form of banking would concentrate on that very activity. He recommended creating loan production offices away from the bank with only a loan officer and secretary, offices which would concentrate on recruiting loans.

He saw the future of banking as being threatened by long term economic trends, loss of depositor confidence, and actions taken by government. Nevertheless, Mr. Sheshunoff observed there are areas in which

bankers can increase profits, including improving spreads, increasing fee income, and controlling non-interest expenses. He noted the boom in new types of banking services and recommended bankers compare work and reward before developing new services.

**Donald Senterfitt**, 1984-85 president-elect of the ABA and vice chairman and senior executive officer, Sun Banks Inc., Orlando, Fla. was the second speaker of the morning. He said today nearly all the challenges and opportunities bankers encounter as an industry can be described by one word: **RISK**. "don't mean the traditional risks associated with banking...what I have in mind is broader than the time-honored C's of credit analysis. The risks I am thinking of encompass the entire industry, and how we define and manage these risks will go far toward determining how we fare in the future," he explained.

Mr. Senterfitt added there is a risk of public misperception regarding the safety and soundness of the



**LEFT**—Continental Bank of Chicago's traditional Monday luncheon found this group visiting: **Bob Vasko**, Continental v.p.; **Bob Donhowe**, chmn., Norwalk-Cumming State Bank, Norwalk; **Mary Nihlean**, bkg. off. of host bank; **Bud Pike**, chmn., Hawkeye Bank & Trust, Grundy Center, and **Anne Thelsen**, bkg. assoc. **RIGHT**—**Bob Miller**, chmn. & ceo., Polk City Savings; **Bob Millen**, pres., First Interstate Bank of Des Moines, and his wife, **Happy; John Hopkins**, pres., Albert City Savings, and **Mike Austin**, v.p., First Interstate Bank.





**LEFT**—Northern Trust of Chicago reception line hosts included: front, **Louise and Clyde Reighard**, exec. v.p., and **John McClure**, v.p.-head of fin. inst. dept.; back, **Susan Lang**, comm. bkg. off., **Scott Moore**, bond inv. off., and **James Monhart**, comm. bkg. off. **RIGHT**—**Gary Stevenson**, v.p., First Natl. Bank, Sioux City; **Holmes Foster**, pres. and c.e.o., Bks. of Ia.; **Kathy and Thomas D. Whitson**, pres., Council Bluffs Svgs. Bank, welcome guests to the Banks of Iowa reception.



financial system today. He said the most effective way to deal with public misconception is "to determine that we have a quality operation." He explained he has joined with ABA president Jim Cairns to address this problem by selecting a small group of bankers to constitute an ABA Commission on Safety and Soundness. "I believe there will be something tangible to report in this area no later than early next year," he concluded.

The morning session closed with a moving presentation by **Tom Sullivan**, entertainer and humanitarian, entitled "You are Special." Mr. Sullivan observed that, like his own blindness, all people possess handicaps; the key is to turn your disadvantage into advantages. He reflected that bankers today are handicapped by their public image, but they can fight the label by striving to humanize the work they do and not giving in to labeling. His attitude that "Depression is based on yesterday's news, not today's events," his inspiring music, and the story of his life of triumph over disadvantage were uplifting to all.

#### Closing Speakers

"The M-Form Society: Balancing Competition with Teamwork," was the title of the afternoon presentation by **Dr. William Ouchi**, professor of management at UCLA. He observed the tendency toward economic atomization, with each interest group in its own corner, resulting finally in a political economic gridlock. On a smaller scale, this can happen in companies.

In corporations with the U-form structure, no one functional department can act on its own, and all power is vested in the CEO, who can often drown in decision-making. In H-form corporations, the operating

units are unrelated except when it comes time to make bids for the budget and, therefore, have very different points of view.

An M-form corporation is multidivisional, with division managers working as a team. They have different objectives and outlooks, but get together to form a consensus recommendation for the CEO. The key is a balance of competition and teamwork.

In response to the objection that the consensus approach is too slow, Dr. Ouchi referred to the example of Japan. The approach was applied to the computer chip market, and the results were that in ten years Japan went from having 15% of the market to 85%. The key is flexibility, Dr. Ouchi noted, saying "If you cannot change the rules at least once in awhile, you cannot keep a competition healthy."

He also mapped out the system used in Minneapolis, a thriving example of the M-form approach, where a willingness to be flexible today paid off in success tomorrow. He urged that in the United States we move away from the gridlock system of lobbying to a more consensus approach, and recommended bankers also work towards such a system in their banks.

Tuesday's general session concluded with special guest speakers, **Bill Russell**, color analyst for WTBS television and former basketball superstar for the Boston Celtics. It was a special appearance for IBA's retiring president **Bill Logan**, who had played center for the University of Iowa opposite **Bill Russell** and the University of San Francisco in the national championship game of 1956, which San Francisco won.

#### Facilities and Entertainment

The new Des Moines Convention Center was opened for business only

weeks before the Iowa Bankers convention and it lived up to its advance billing as a first class convention center.

The exhibit hall was spacious, offering ample room for exhibitors and visitors alike.

The President's Dance on Sunday evening drew an enthusiastic crowd of bankers and spouses to the Marriott Hotel ballroom where they saw IBA President **Bill Logan** and his wife, **Joan**, lead off the festivities with a smooth waltz to the music of the William Tell Orchestra.

Monday night offered the opportunity to see and hear the world-famous Preservation Hall Jazz Band from New Orleans French Quarter, which staged two rousing performances. Each concluded with the traditional "When the Saints Go Marching In," led around the Civic Center and back onstage by two band members.

The Inaugural Dinner at the Marriott Hotel had a touch of elegance again as IBA officers were attired in tuxedos at the head table with their spouses. More than 200 attended the dinner and stayed to hear the excellent music of Iowa Rose, a west Michigan quartet which played acoustic folk, swing, country and bluegrass music.

The special events scheduled for spouses drew another good attendance. In addition to special craft and art displays and classes, a home tour and luncheon also were available for those wishing to take part. □

#### Addition Told in Spencer

**Peter M. Lindstrom** has recently joined the Farmers Trust and Saving Bank, Spencer, in the loan area as the collection manager. Mr. Lindstrom spent four years with IFG Leasing Company in Des Moines.

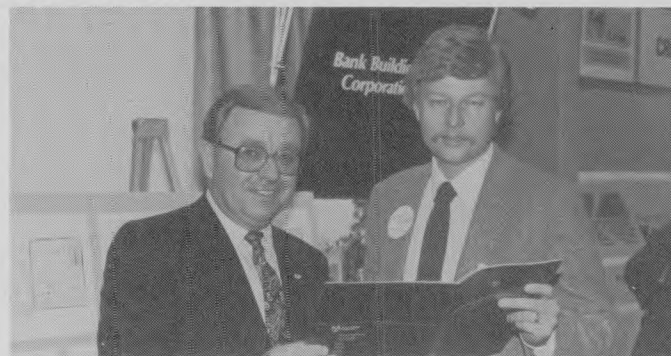




**LEFT**—At the United Missouri Bank of Kansas City dinner were: **Phil Straight**, exec. v.p., corr. bkg. div., UMB, **Lyle Wells, Jr.**, vice chmn., UMB, with guests, **Barney and Tom Smith**, pres., Brenton Bk. & Tr., Marshalltown. **RIGHT**—The Des Moines Botanical Center was the location of Hawkeye Bancorporation's reception attended by: **Paul Dunlap**, pres., Hawkeye Bancorporation, and **Jackaline; A. Arthur Davis**, gnrl. council, IBA, and sr. partner of the D.M. law firm that bears his name; **Sue and Fred Hageman**, treas., IBA, and pres., St. Bank of Waverly.



**LEFT**—At the Iowa Bankers Insurance and Services booth were, front: **Al Tinder**, pres., **Judy Gross**, a.v.p., and **Dick Arendt**, pres., Peoples Savings, Montezuma. Back, **Gary Livesay**, v.p., and **Anson Holland**, serv. rep. **RIGHT**—Showing off their mugs were: **Jerry Gross**, pres., Kirk Gross Co., and **Bob Buckley**, with their guest, center, **Gene Plager**, dir., Grundy Natl., Grundy Center.



**LEFT**—**Wally Gelger**, pres., Data Business Equipment, Inc. talked with **Marty Kalton**, comp. serv. rep., **Bob Hartman**, v.p., and **Glen Plotter**, 1st v.p., all with Davenport Bk. & Tr., as **Tom Kolb**, Data Bus., assisted. **RIGHT**—**Roy Wingers**, sr. consultant, Bank Building Corp., explained building plans to **Charles Carlberg**, chmn., Panora St.



**LEFT**—Representing Travelers Express Co. were: left, **Bill Harris** and **Mike Sandstrom**, Mpls. **RIGHT**—**Jean Eden**, left, and **Linda Helt**, both, ag. bkg. specialist with AgriCareers, Inc., shared with bankers about employment recruiting.



# The problem with most bank insurance is that it wasn't conceived by bankers.

There are farmers' insurance companies and firemen's insurance companies.

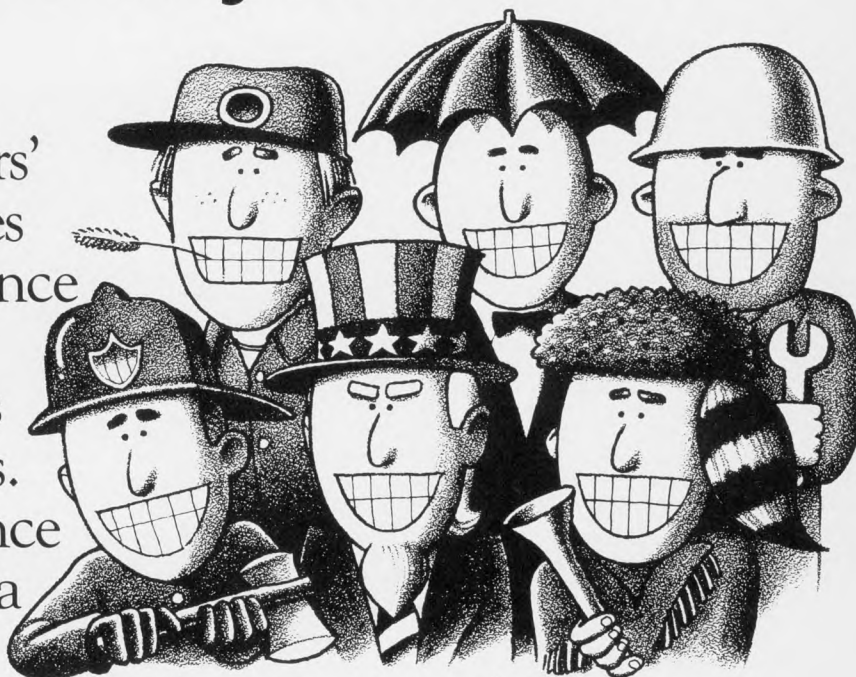
Even companies founded by travelers.

But IBIS insurance was designed by Iowa Bankers only for Iowa banks. In fact, IBIS is owned by *all* Iowa banks.

And dollar for dollar, you can't do better.

Whether it's property and casualty insurance or creditor protection. Employee group health, life, or disability.

IBIS professionals tailor each plan to meet your bank's needs.



At rates you don't have to be a banker to appreciate.

Dividends? Last year we paid over \$515,000 to Iowa banks.

For more information, call 1-800-532-1423 toll-free. And find out how much better insurance from bankers can be.

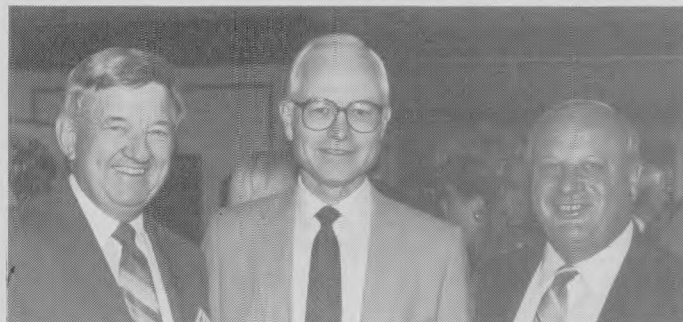


**Iowa Bankers Insurance  
& Services, Inc.**

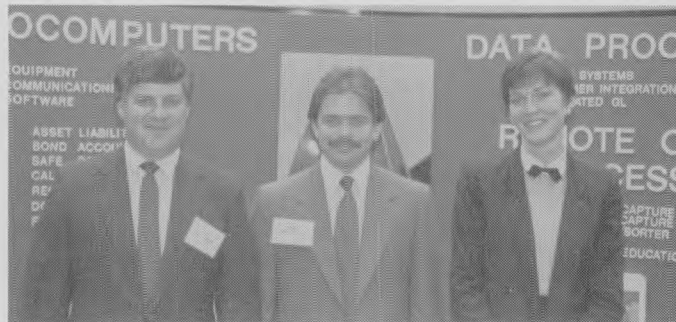




**LEFT**—Dennis Whittington, right, acct. exec., HBE Bank Facilities, St. Louis, meets with, left, Nyles Myers, a.v.p., and Al White, a.v.p., Citizens First Natl., Storm Lake. **RIGHT**—Visiting at the NCR booth were: Glen Simpson, acct.-exec., NCR, Jim Brown, v.p., Hardin Cnty. Svgs., Eldora, and David Heath, acct. proc. mgr., NCR, Des Moines.



**LEFT**—Visiting during the Bankers Trust, Des Moines reception were: Gordon Wold, pres. & t.o., Poweshiek Cnty. Svgs., Brooklyn, O.J. Tomson, chmn. & c.e.o., Citizens Natl., Charles City, and, dir., Fed. Reserve, Chicago, and Bernie D. Miller, v.p., corr. bkg., American Tr. & Svgs., Dubuque. **RIGHT**—First Natl., of Omaha representatives included: Jack Hoffman, conv. mgr., Mike Foutch, mktg. rep., and Mary Jo Brennan, cust. support mgr.



**LEFT**—"Take me out to the ballgame," is what these Marquette Bank, Mpls. representatives seem to have been saying. Handing out Cracker Jacks and baseballs were: Grace Jaeger, inv. off., Mike Hay, tr. adm., and Michele LeCuyer, tr. off. **RIGHT**—At the Daktronics booth were: Mike Kramer, sales mgr., Midwest Sign Brokers, Dean Schantz, v.p., First Natl., Creston, and Jim Thomas, regional sales mgr., Daktronics, Inc.



**LEFT**—Shown here at The National Bank of Waterloo's exhibit, where a person had the opportunity to win an Iowa Lottery Ticket, is Mary Fehring of the Iowa Dept. of Banking, holding her \$1000 winning ticket. Helping out at the booth were, left: LeRoy Bell, a.v.p., and R. Scott Fetner, pres. **RIGHT**—Ross Schoonover, left, v.p., and James Jones, far right, Office Concepts, Ltd., welcomed Brad Young, a.v.p., and Jeff Young, v.p., Iowa Tr. & Svgs., Centerville.







**LEFT**—Talking over the latest in insurance at the IAC Group display were: left, **Craig Ross**, fin. ins. rep., **Douglas Neighbor**, v.p., Farmers St., Marion, and **Kathryn Foster**, fin. ins. rep., IAC Group. **RIGHT**—**Jim Grimes**, right, dist. mgr., Brandt Systems, Omaha, demonstrated money handling machines for **Gerald Lapke**, pres., State Bank of Portsmouth.



### Pres./CEO Named in Tipton

Edward J. Leahy has been elected president and CEO of Tipton State Bank. He began his duties on September 1st after serving as president of Northwestern State Bank in Orange City for the past eight years.

Mr. Leahy was former chairman of Group 12 and a member of the Iowa Bankers Association's board of directors. He has also been a member of the IBA ag committee and the ABA agricultural division's executive committee.

### Pres. Named in Allison

Charles J. Gaffey has been named president and chairman of the State Bank of Allison.

He joins the bank with 25 years of financial experience which includes commercial and mortgage banking, leasing and manufacturing.

Prior to accepting the position here, Mr. Gaffey was president of the Mortgage Company of Sarasota, in Sarasota, Fla., whose main purpose was to originate and fund residential and commercial real estate loans. He succeeds Russell Olson.



C. GAFFEY

### Pres. Named in Hampton

Russell G. Olson has been named president of the First Midwestern Financial Corporation, Hampton. Mr. Olson, 31, had previously been

president of the State Bank of Allison for the past three years.

First Midwestern will serve as a service corporation for the following banks: Palmer State Bank, Palmer; Iowa Savings Bank, Woodbine; Iowa Bank & Trust, Bloomfield; Citizens Savings Bank, Afton; Peoples Savings Bank, Odebolt; Community State Bank, Rockwell; State Bank of Lone Rock, Lone Rock, Wis., and Bank of Gays Mills, Gay Mills, Wis. Other stockholders in FMFC are C.W. Persinger, Sioux City; R.O. Wikert, Fremont, Neb.; T.S. Gentle, Iowa Falls, and W.A. Krause, Hampton.

### Four VPs Named at Brenton—Powashiek Co.

Four vice presidents have been named at Brenton National Bank—Powashiek County. They are David S. Burrell, Jerald B. Sullivan, Daryl K. Petty and Robert L. Brown.

David S. Burrell was promoted to senior vice president. He previously served as vice president, and is in charge of commercial and agricultural loans. He has been with the bank since 1976. Jerald B. Sullivan has been responsible for the bank's consumer loan department and student loans as well as working in the area of agricultural and commercial loans. He taught vocational agriculture prior to joining the bank in 1982.

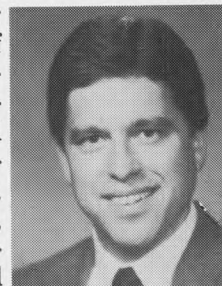
Daryl K. Petty joined the bank in 1982 and has been primarily involved in agricultural and consumer lending. Prior to that he was an extension economist in farm management with Kansas State University. Robert L. Brown has joined the

bank as vice president. He will primarily be involved in real estate and commercial lending. He has had extensive retail and banking experience, most recently in Oregon, Ill., and at banks in Janesville and Broadhead, Wis.

### V.P. Named in Sioux City

Security National Bank of Sioux City recently named D. Douglas

Rice as senior vice president of the asset management division. He will oversee the commercial banking, investments, real estate services, credit and loan review departments.



D. RICE

Since joining the bank in 1975, he has held positions in the customer service, dealer service and auditing departments. He was promoted to vice president and general auditor in 1980, before being named senior vice president of finance, in charge of auditing, loan review and the accounting areas. In 1984, Mr. Rice moved to the commercial services department, where he assumed responsibilities in commercial loan analysis, as well as becoming active in commercial lending.

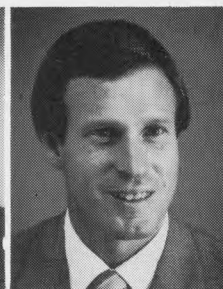
### V.P. Added in Clarksville

Richard L. Brown has joined Iowa State Bank Clarksville as vice president and ag representative. Prior to joining Iowa State Bank, Mr. Brown worked with Metropolitan Life and First Bank System. He is a 1971 University of Iowa graduate.





B. MULLINS

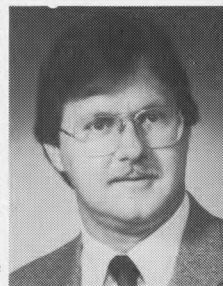


S.F. JUSTICE

division since joining the bank in 1984. He was previously employed as manager of the consumer loan division at First American State Bank in Fort Dodge.

\* \* \*

Three officers have been promoted at Bankers Trust. Paul L. Kruse has been promoted to commercial loan officer, Gary J. Ortale to chief financial officer and Stephen W. Vranich to trust officer.



G. ORTALE

Mr. Kruse was hired in February as a commercial banking representative and in June was assigned to work outs and special situations, including agricultural loans. Prior to joining the bank, he was assistant branch manager at Webster City Production Credit Association.

Mr. Ortale joined Bankers Trust in 1978 as a staff auditor and was named assistant auditor in 1979. He transferred to the control department in 1982 as senior accounting officer and was named assistant controller in 1983 and director of financial planning in 1984. Most recently he was controller and cashier.

Mr. Vranich started with the bank in 1980 as a part-time ACS representative and was named EFT supervisor in 1981. He transferred to the trust operations department as supervisor in 1983 and in 1985 was named trust operations officer. Most recently he served as assistant manager, trust operations officer.

Calvin D. Bandstra, Donald T. Dawson, Patrick J. Montgomery and Cristopher R. Nelson will attend the School for Beginning Examiners of the Education Foundation of State Bank Supervisors (EFSBS), it was announced by Thomas H.

Alda Post, director of marketing for the Iowa Bankers Association, has resigned effective August 30. She held a variety of positions since starting with the association in 1982, including compliance and communications coordinator, director of communications and compliance, and director of marketing and communications.

Ms. Post is now the executive director of the Iowa Funeral Directors Association, a 600-member organization located in Des Moines. In her new position, Ms. Post is responsible for the overall operations of the association.

At First Interstate Bank of Des Moines, Bill Mullins has been appointed vice president in the Iowa correspondent/corporate service division and Steve Justice has been appointed assistant vice president in the metropolitan commercial services division.

Mr. Mullins has served as assistant vice president in the Iowa correspondent/corporate division since joining the bank in 1984. He was previously employed as a bank examination specialist at the Iowa Department of Banking. Mr. Justice has served as commercial loan officer in the metro commercial services

## KING MANAGEMENT COMPANY

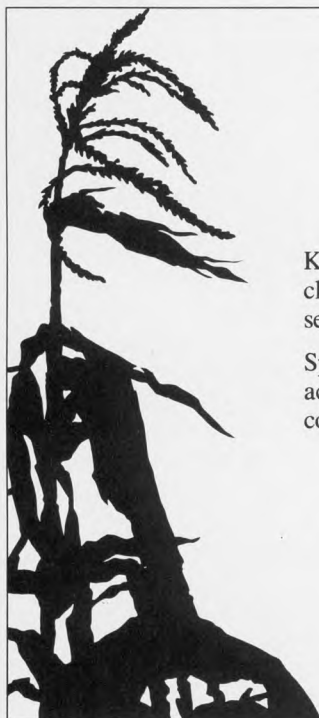
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**Huston**, Iowa Superintendent of Banking.

The EFSBS School for Beginning Examiners, which will take place Sept. 9-20, at the University of Arkansas in Fayetteville, Arkansas, is designed for examiners with state banking department tenure of three months to one year. The School provides practical how-to-do-it training as a supplement to what is received on the job. Going beyond how to fill out examination reports and schedules, this School examines the theory and concepts behind different aspects of the examination process.

Mr. Bandstra holds a BA degree in accounting from Dordt College and has been with the Department since June, 1985. Mr. Dawson, who has 23 years of teaching to his credit, holds a Masters degree in Zoology from the University of South Dakota and has been with the Department since July, 1985. Mr. Montgomery, who has four years of prior banking experience, holds a BA degree in business from St. Ambrose College and has been with the department since June, 1985. Mr. Nelson holds a BS degree in business from Iowa State University and has been with the department since July, 1985.



R. BASKERVILLE

M. GOWDEY

At Valley National Bank, **Rochelle Baskerville** has been named internal auditor, and **Marla Gowdey** has been named trust officer. Ms. Baskerville joined the bank in February as staff auditor. Ms. Gowdey was previously account administrator at another Des Moines bank.

\* \* \*

At Hawkeye Bank & Trust of Des Moines, **Raymond G. Gamel** has been appointed insurance officer, and **H. Dean Hannam** has been elected real estate loan officer. Mr. Gamel was previously employed by Action Insurance Agency, Des Moines, as chief operating officer. Mr. Hannam previously served as

president of R&C Office Supply & Printing, Inc. Prior to that he served as the head of the real estate mortgage division of Valley National Bank, Des Moines.

\* \* \*

### V.P. Appointed in Cedar Falls

David G. McDermott has been appointed senior vice president and commercial loan officer of Cedar Falls Trust & Savings Bank. Mr. McDermott has been vice president and commercial loan officer at First Interstate Bank of Fort Dodge since 1979, and prior to that was ag loan officer at the Harlan National Bank in Harlan, as well as assistant cashier at First National Bank, Ames.



D. McDERMOTT

### V.P. Added in Story City

Randall-Story State Bank recently announced the addition of Dave Morris as vice president/trust officer.

Mr. Morris brings 20 years of experience to the bank and was most recently affiliated with Northeast Iowa National Bank in Fredericksburg. At this bank, he served the position of executive vice president/trust officer/CEO.

### V.P. Elected in Ottumwa

Union Bank and Trust Company, Ottumwa, recently announced the election of Roger E. Rinderknecht as executive vice president and a member of the board.

Mr. Rinderknecht joins the Union Bank and Trust Company after serving with Brenton Banking System as president and trust officer since 1980. A graduate of Iowa State University in 1964 with a degree in ag education, he taught vocational agriculture at Rockwell City and Webster City High Schools from 1964 through



R. RINDERKNECHT

1968 before beginning his 17 year banking career.

### Staff Changes in Ft. Dodge

J.P. Mansfield, III, president and CEO of First Interstate Bank of Fort Dodge, announced the following staff additions and changes.

James C. Neuroth has been named executive vice president and second officer. In addition to his credit administration responsibilities, he will participate in the general management of the bank, and supervision of the banking officers at Harcourt, Lehigh, Duncombe, and Burnside.

Mr. Neuroth most recently was senior vice president at First Bank Rochester, Minn. and vice president-credit administration for First Bank System's southeast Minnesota region based in Rochester.

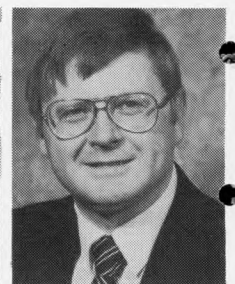
Laurel L. Ericson has been named vice president-credit. He will work with area businesses, serving their credit and banking needs. Mr. Ericson most recently was president of the Federal Land Bank Association of Fort Dodge.



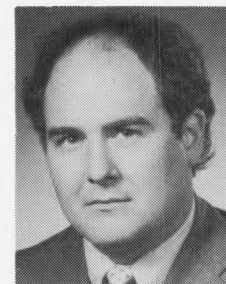
J. NEUROTH



L. ERICSON



F. KENNE



J. DENISON



M.L. McCLURG

Francis J. Kenne has been named vice president and manager-operations. He has responsibility for the accounting, internal control, deposit operations and credit card opera-



tions functions, as well as supervision of the banking office at the Crossroads Shopping Center in Fort Dodge. He has been employed at the bank for over 14 years.

Jeffrey G. Denison has been named vice president and manager-trust. He is responsible for the trust department, including trust sales and trust operations. Mr. Denison most recently was with the trust function at the Omaha National Bank.

Marshall McClurg has been named senior vice president-management services. He is responsible for facilities, equipment, purchasing, and cost containment. He has been employed at the bank for 29 years.

Bonnie J. Vandt has been named assistant vice president-human resources. She is responsible for all human resource functions, and will serve as training coordinator for the bank. She has been employed at the bank for 28 years.

Marge Danner has been named assistant vice president-credit. She will be commercial loan assistant, in addition to supervising the loan, accounting and collateral functions. She has been employed at the bank for 25 years.

Sandi Chingren, executive secretary, has assumed responsibility for the supervision of office services, and will also serve as marketing coordinator for the bank.

Daniel Streit, retail banking officer, has assumed responsibility for servicing the residential real estate loan products for the bank.

### John E. Mangold to Retire From Merchants National

John E. Mangold has announced his intention to retire January 1 from Merchants National Bank of Cedar Rapids, after 32 years of service with the bank. Mr. Mangold is senior vice president, a member of the bank's board of directors and head of the correspondent bank department.

Mr. Mangold's entire banking career has been with Merchants National Bank. Following his high



J. MANGOLD

in the military in WWII, then enrolled at the University of Iowa in 1947. He received his B.S. degree in 1950 and in 1953 also received his law degree from the University of Iowa.

Upon graduation from the university he joined Merchants National as manager of commercial loan operations. He moved to the correspondent banking department in 1958 as assistant manager and became its manager in 1964. Mr. Mangold was elected a senior vice president of MNB in April, 1970, then in 1973 was elected to the board of directors of the bank.

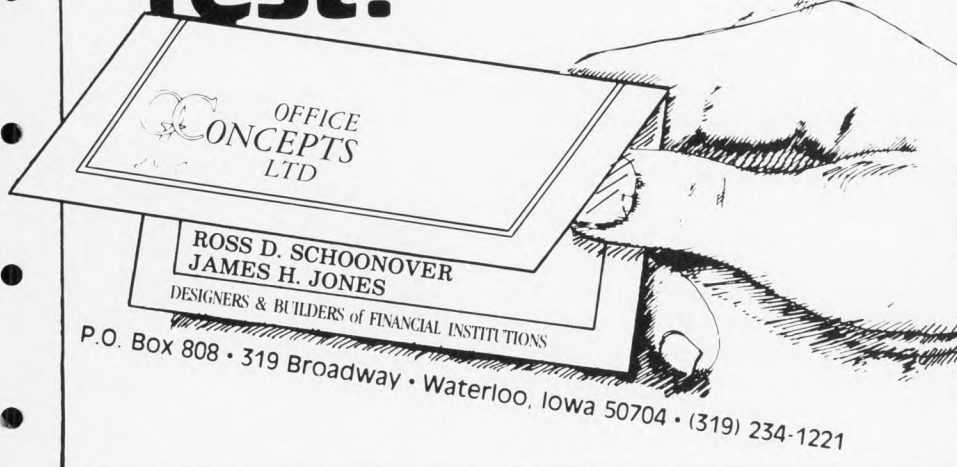
Through his 27-year association with the correspondent banking department, Mr. Mangold has become friends with hundreds of Iowa bankers throughout the state and among his peers from other city correspondent banks nationwide. During his more than three decades of service with MNB, Mr. Mangold also has served on numerous boards and professional associations, including a term on the board of directors of the Iowa Bankers Association and as a member of the correspondent banking division of the American Bankers Association.

Holmes Foster, president of Banks of Iowa, Inc., the statewide holding company of which Merchants National is the flagship bank, paid special tribute to Mr. Mangold when he stated that "His loyalty, dedication and hard work over the years has not only served the benefit of Merchants National, but to Banks of Iowa and bankers all across Iowa." Similarly, Henry Royer, president of MNB, said, "We are confident his tradition of service will continue to be the cornerstone of the correspondent department of Merchants National Bank."

### Promoted in Council Bluffs

Chris E. Fenimore has been promoted to assistant vice president and head of the trust department at State Bank & Trust, a Hawkeye Bancorporation bank in Council Bluffs. Prior to this promotion, Mr. Fenimore served as trust officer at Hawkeye-Capital Bank & Trust, Des Moines. Before joining Hawkeye-Capital, he was the assistant industrial commissioner for the state of Iowa.

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**FROM LEFT:** Bob Wissler, retired v.p., Norwest Bank Des Moines; Randy Steig, exec. dir., Iowa Bankers Assn.; Dick Mulr, v.p., United Missouri Bank of Kansas City, and Jim Karlin, pres., First Newton Natl., Newton. **SPEAKERS** for the United Missouri Investment Seminar are: (left to right) Mark Bailey, inv. serv., United Missouri Bank of Kansas City; Chuck Orr, partner, McGladrey, Hendrickson, and Pullen, CPA's, Iowa City; Kirk Vaughan, exec. v.p., bond dept.; Jeff Goble, v.p., bond dept.; Larry Russell, exec. v.p., bond dept., and Phil Straight, exec. v.p., corr. bkg. dept., United Missouri Bank of Kansas City.

## United Missouri Bank Hosts Seminar

By **ROBERT O. CRONIN**  
Associate Publisher

**T**HE THIRD Annual Investment Seminar, hosted by United Missouri Bank of Kansas City was held August 26 at Hyperion Country Club in Des Moines. Banker guests were invited to play golf earlier in the day then attend the seminar that afternoon. The Investment Seminar's agenda consisted of: Tax Law Changes For Banks In 1986, Asset-Liability Management, Interest Rate Outlook, Bond Strategies, and an update on investment services offered by United Missouri Bank.

With the probability of a tax law change in 1986, Chuck Orr, partner, McGladrey, Hendrickson and Pullen, CPA's, Iowa City, gave a complete overview of specific areas in banking that would be affected by a tax law change and discussed in detail these six potential changes:

1. Reduction in corporate tax rates.
2. Further limitation of interest expense deduction.
3. Depreciation rules and investment tax credit changes.
4. Limitation of cash method of accounting.
5. Repeal of deduction for bad debt reserve.
6. Repeal of special rules for carry-back of net operating losses.

Asset-Liability Management was the next topic discussed during the seminar. The presentation was given by Janet Kelley, v.p., United Missouri Bank, who said, "By having good funds management, a banker can optimize profits and eliminate risk." Ms. Kelley presented five im-

portant terms used in Asset-Liability Management: 1. Gap Ratio. A more workable measure of interest rate. A guideline for a good gap ratio should be between .80 and 1.20, according to Ms. Kelley. 2. Gap/ Earning Asset Ratio. A control measure for the extent of interest rate risk that the bank is assuming. Here, the ratio should not exceed 10%. 3. Spread. The difference between the yield realized on earning assets and the cost of funds. 4. Net Interest Margin%. Net interest margin dollars divided by average earning assets. 5. Free Funds Ratio. The difference between average earning assets and average interest bearing liabilities divided by average earning assets. Ms. Kelley concluded, "With good sound bank management, you can be successful."

Kirk Vaughan, v.p., United Missouri Bank, gave an overview on some important topics such as interest rates, the economy and the Farm Credit System. Because our economy is no longer FED controlled, there are other things that will influence interest rates, Mr. Vaughan said. "As long as oil and farm prices remain low, interest rates are going to remain down also — I project lower to sideways interest rates for now, but one year from now, see interest rates up, but nothing like the period in 1980-82," said Mr. Vaughan. Touching briefly on the Farm Credit System, Mr. Vaughan said the FCS has two strengths going for it. One, its ability to borrow from the FED and secondly, its size. "The FCS may have a full year loss at the end of 1985," concluded Mr. Vaughan.

Final discussion consisted of a review of various bond strategies by Jeff Goble, v.p., United Missouri Bank. He told the bankers in attendance what kinds of bonds to be careful of, especially the "traps," as he called them, in the bond market today.

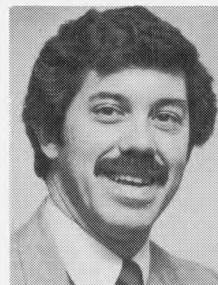
An update on what United Missouri Bank is doing in the investment services market was presented by Mark Bailey and Larry Russell, executive vice president. Bankers were told the various ways in which UMB is working for its customers. "95% of our business is done with banks," Mr. Russell stated, "we are long term people, helping banks do what they need to do on a long term basis." A reception and dinner followed the business session. □

### Two Appointed in Dubuque

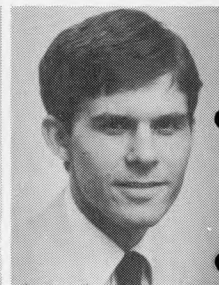
Dubuque Bank and Trust Company announced the appointments of Michael J. McCullough as vice president, mortgage loan, and Steven M. Baumhover as commercial loan officer.

Mr. McCullough joined the bank in 1984 and will have responsibility for developing mortgage loans.

Mr. Baumhover also joined the bank in 1984 and will have responsibility for the development of commercial loans.



M. McCULLOUGH



S. BAUMHOVER



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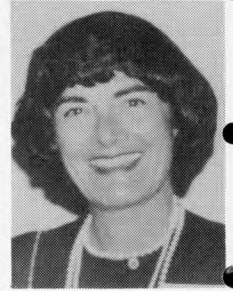
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## Joann Fetner Named to Iowa Arts Council Board

Joann Fetner of Waterloo was one of six persons appointed recently by Iowa Governor Terry Branstad to the Iowa Arts Council board. Mrs. Fetner is one of six new appointees to the board, which consists of 15 persons. Appointments are for three-year



**J. FETNER**

terms and members may be reappointed to an additional three-year term.

Mrs. Fetner previously had served on the Iowa Arts Council advisory board.

The Iowa Arts Council is the recipient of state and federal funds for support of the arts within the state. The board participates in grant giving, helps evaluate programs of the Council and screens additional programs for those that will advance the arts in Iowa.

Mrs. Fetner's husband, Scott, is president of the National Bank of Waterloo, where she chairs the bank's Art Acquisition Committee. National Bank of Waterloo has an extensive exhibit of art throughout the bank, all of it entirely from Iowa artists. Selected pieces from this collection are currently being exhibited at various NBW correspondent banks for three-week periods of time as part of the bank's traveling "Artists of Iowa" show that was featured in last month's issue.

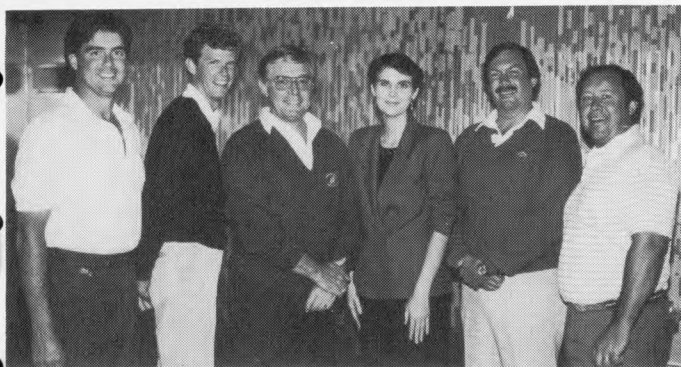
## Former Iowa Bankers Buy Kansas Bank

Kenneth E. Haddock and a local group of investors in Herington, Kan., have purchased a 100% interest in Herington Bancshares, Inc., a one-bank holding company that owns 94.81% of the Bank of Herington. The purchase was made from Frank L. Farrar of Britton, S.D., a well-known banker with holdings in several midwest states. Mr. Farrar had purchased the bank in January, 1983.

Mr. Haddock was hired at that time to manage the bank. It now has assets of \$15.5 million and will celebrate its 100th year in 1986. Mr.



## IBIS Hosts Golf Outing



**GOLFERS** had their choice of playing in Iowa City or Storm Lake this year during IBIS's annual golf outing. The event was sponsored by Credit Life Insurance Company of Springfield, Ohio. Enjoying themselves during post-game ceremonies are: left, **Dave McLaughlin**, Credit General, **Doug Deer**, Credit Life, **Jim Hawkes**, Credit Life, **Elaine Phillips**, supervisor, IBIS, **Gary Livesay**, v.p., IBIS, and **Ron Meyer**, v.p., IBIS, Des Moines. Getting ready to tee-off are: (left to right) **Ben Heckart**, Farmers Savings Bank, Wever, **Steve Kedley**, v.p., First Central State Bank, DeWitt, **Ron Meyer**, v.p., IBIS, Des Moines, **Gary Bennis**, v.p., Maquoketa State Bank, and **Dan Jessen**, exec. v.p. & tr. off., Farmers Savings Bank, Wever. Golfers at Storm Lake were not as fortunate as those in Iowa City as that golf outing was cancelled because of rain. Card playing was the name of the game in Storm Lake.

Haddock will continue as president and chairman. Mr. Haddock, who holds the majority interest in the holding company stock, said the local investor group joined with him to bring local ownership of the bank back to Herington.

Before moving to Herington in January, 1983, Mr. Haddock had served for one year as vice president of the First National Bank in Lenox, Ia. After receiving his BA degree in Agriculture in 1968 from the University of Missouri at Columbia, Mr. Haddock served two years in the military, then taught voc-ag four years, the last two at Mason City, Ia., high school. Later he worked in the Federal Land Banks in Mason City and Fort Dodge, Ia. He joined First National Bank in Tuscola, Ill., later resigning there as a vice president in 1978 to become executive vice president of the First National Bank in Lakefield, Minn. He moved from there to Lenox, Ia., in January, 1982.

### Two Appointed in Anita

Anita State Bank, Anita, has announced the appointment of Judy Van Aernam and Martin L. Jacobs to the position of vice president.

Ms. Van Aernam joined the bank in 1964 as a bookkeeper, was promoted to assistant cashier in 1974 and was named assistant vice president in 1981.

Mr. Jacobs joined the bank in 1984 as assistant vice president, working primarily in the loan de-

partment and managing the Anita Insurance Agency.

Previously, he had worked as assistant vice president and branch manager of the First Trust & Savings Bank of Wheatland for two years. Mr. Jacobs was also a loan officer with the Creston Production Association for three and one-half years in its Winterset office.

### Changes Made in Winterset

James W. Mease, president of Farmers & Merchants State Bank of Winterset, has announced the following personnel changes: David M. Nicholl has been elected executive vice-president and cashier and second officer. William L. Davis was elected senior vice-president and chief lending officer. Allen L. Banks was elected senior vice-president and branch officer supervisor. Mary Jane Beniot was elected to serve as assistant trust officer. JoAnn M. Houston was elected installment loan officer. Beverly Sanderson was named assistant cashier. Vicki Bass was named motor bank manager to replace Mrs. Sanderson. June Murphy was named bookkeeping supervisor; Sue Corkrean, head teller, and Bette Patton, customer services supervisor.

### IBA Sponsors School

The Iowa Bankers Association will be sponsoring the Iowa Commercial Lending School, February 2-

February 8, 1986, at Iowa State University, Ames.

The purpose of the IBA Commercial Lending School is to prepare entry-level, exempt and mid-level commercial bank officers to serve effectively and profitably the needs and desires of the American public and American business. The IBA Commercial Lending School (200 level) also serves as a preparatory school for the more advanced Commercial Lending School (300 level).

Tuition will be \$700, which includes room, meals, casebook and study materials.

### IBA Sponsors Workshop

The Iowa Bankers Association will sponsor an "Improved Customer Relations & Financial Sales" workshop October 21 at Lake Shore Country Club, Council Bluffs, and Best Western, Burlington; October 22 at the Sioux City Hilton, Sioux City, and Black Hawk Hotel, Davenport; October 23 at the Holiday Inn, Fort Dodge, and Stouffer's Five Seasons, Cedar Rapids, and October 24 at the Des Moines Convention Center, Des Moines, and the Red Fox Inn, Waverly.

The workshop is designed solely for the financial industry and offers the most up-to-date training available on selling financial services in the '80's.

Topics covered will include: deregulation, developing personal sales skills, the sales interview, and high tech selling.



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(Continued from page 35)

mercial loan officer.

Mr. Hageman has been in the bank's accounting department since 1982.

**Promoted in Rapid City**

Norwest Bank South Dakota, Rapid City, has promoted Jon A. Oien to personal banking officer, Mary Pat Lehnert to personal banking officer and Mike Larson to personal loan officer.

Mr. Oien joined Norwest in 1983 as a management trainee and in 1984 became a personal banking representative.

Ms. Lehnert has been with Norwest since 1979 and has been in various positions, including most recently as personal banking representative.

Mr. Larson started with Norwest in 1983 as a management trainee in Belle Fourche. In 1984, he transferred to Rapid City as a personal banking representative.

**Transferred to Mitchell**

Norwest Bank South Dakota, N.A. announced the transfer of Gary Kramer, ag banking officer at Redfield to Mitchell as a credit officer.

Mr. Kramer joined Norwest in Redfield in 1983 as an agricultural banking representative.

**Promoted in Hecla**

Gary D. Tostenson was promoted to agricultural banking officer at Norwest Bank South Dakota, Hecla.

Mr. Tostenson joined Norwest Bank in Hecla in 1983 as an agricultural representative.

**SDBA Sponsors Seminars**

The South Dakota Bankers Association will sponsor an IRA/Qualified Plan Seminar on October 22 at The Hilton, Rapid City and on October 24 at the Ramada Inn, Sioux Falls.

The seminars are designed for IRA officers, new account personnel, trust department personnel, and all other employees desiring to broaden their IRA knowledge and expertise.

Presenters for the seminars are Collin Fritz and Randy Heidmann.

**NORTH DAKOTA NEWS . . .**

(Continued from page 38)

progresses to present day situations. The announcer states that "North Dakota is special country, requiring a special kind of people to realize its full potential." He goes on to emphasize that North Dakota's banks have helped, and continue to help, North Dakota's people build a better life in North Dakota.

The commercial's patriotic thrust is designed to show the strong relationship between North Dakota's progress and the commitment of its banks to that progress.

The new NDBA advertising program will concentrate its TV exposure in prime time (7-10 p.m.) and news programming to take advantage of high viewership during those times. This year's campaign will also focus on early morning programming (7-9 a.m.) such as "Good Morning America" "The Today Show," and "CBS Morning News."

The schedule of announcement will air on all North Dakota television stations in four-week flights from September 1985 through May 1986.

**N.A. Conversions Told**

The Department of Banking and Financial Institutions, Bismarck, recently announced the following banks have converted from state to national banking associations: First State Bank of Cavalier to First Bank Cavalier, N.A.; The First State Bank of Park River to First Bank Park River, N.A., and The First State Bank of Cando to First Bank Cando, N.A.

The Department of Banking and Financial Institutions also announced the Paying and Receiving Station at Leonard of First American Bank of Casselton opened in its new office located within the city of Leonard on July 19, 1985 and Liberty State Bank, Powers Lake, moved into new offices within the city of Powers Lake on June 10, 1985.

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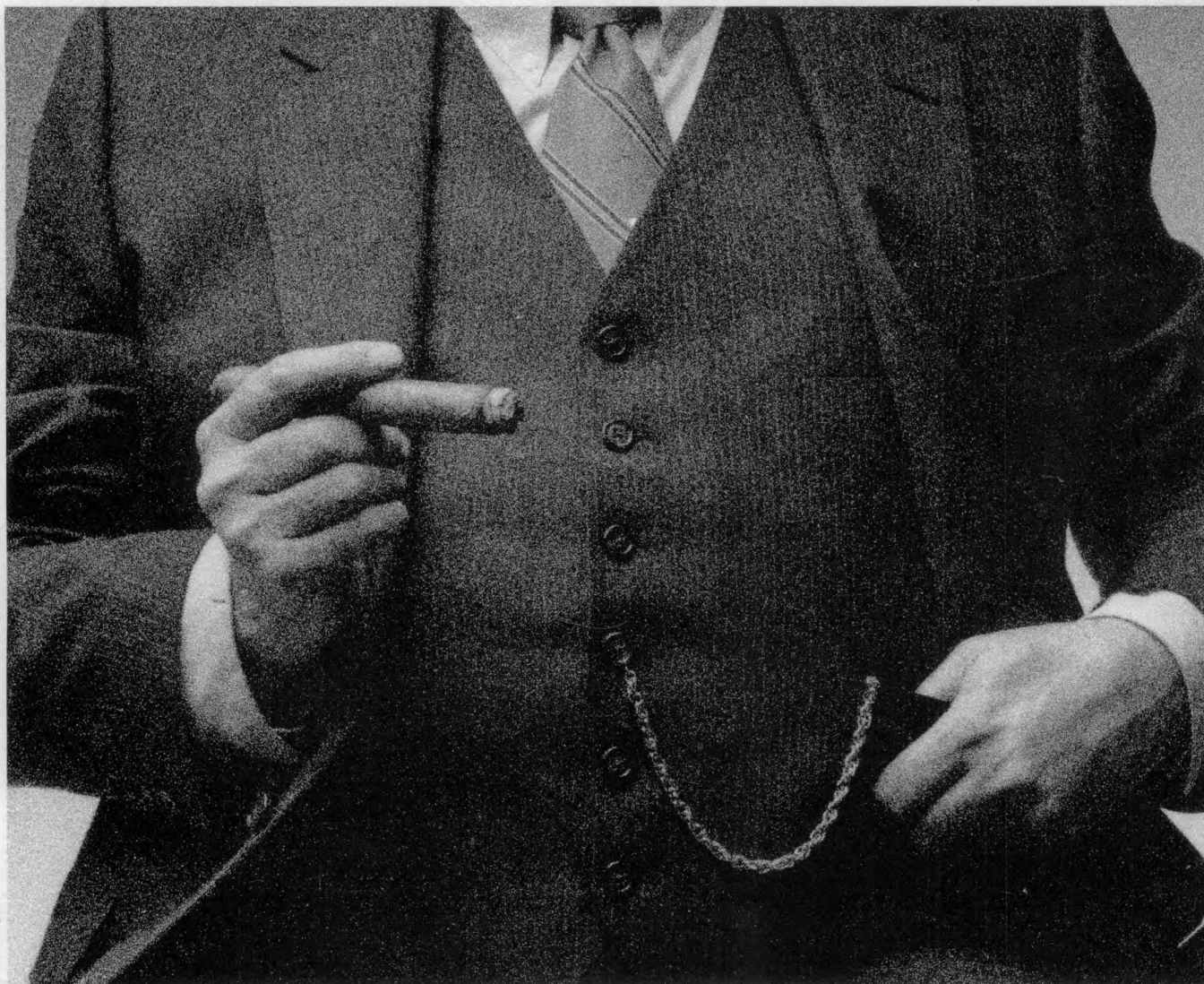
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