

# NORTHWESTERN *Banker*

DECEMBER  
1985



Nebraska  
Independent  
Bankers  
Officers

- The Bank Examination —  
an FDIC Perspective
- EFT Marketers Must  
Think Like Retailers



ABA Ag Conference Speakers



December, 1985

Dear Bankers:

With every new year comes change; 1986 will be no different. One such transition will take place in our Correspondent Services Division. Effective January 1, 1986, John E. Mangold will retire. Jerry N. Trudo has assumed responsibility as Manager effective November 1, 1985.

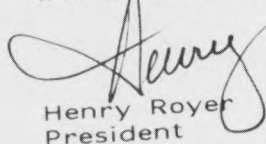
We at Merchants take this opportunity to thank John for his many years of dedicated service to our family of respondent banks. We wish him the very best in the future.

As successor to John, Jerry brings to his position many years of banking experience. Jerry joined MNB in 1966 after serving numerous years as a community banker in Postville, Iowa. Upon graduation from the University of Iowa in 1969, he assumed responsibility in our Commercial Loan and Credit Review Department. In 1971, Jerry joined our Correspondent Services Division. Jerry's years of banking experience and dedication to serving respondent banks is well known to many of you.

As we enter the new year, Jerry and his talented staff will continue to provide the same quality correspondent services you and your banks have come to expect and enjoy.

Speaking on behalf of all our employees, I would like to take this opportunity to wish you and all of your families the brightest season's greetings and the very best in the coming year.

Warmest regards,



Henry Royer  
President



HENRY ROYER,  
President



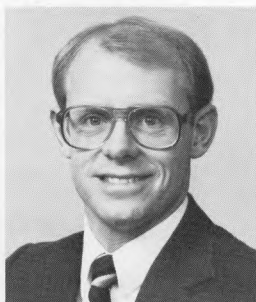
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## ON THE COVER

**FIVE** prominent participants in the ABA National Agricultural Bankers Conference in Dallas last month are pictured at the platform in this photo. Clockwise, from lower left, are: **Frank W. Naylor, Jr.**, Under Secretary of Agriculture, Washington, D.C.; **Alan R. Tubbs**, pres., First Central State Bank, DeWitt, Ia.; **Marvin R. Duncan**, senior deputy governor, Farm Credit Administration, McLean, Va.; **Michael E. Fitch**, vice president, Wells Fargo Bank, N.A., San Francisco, who succeeded Mr. Tubbs as chmn. of the ABA Ag Bankers Division and as this year's conference chairman, and **Michael Boehlje**, head, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul.

**LEADING** the Nebraska Independent Bankers Association for 1985-1986 are, from left: Pres.-Elect—**Roy O. Yaley**, pres., Nebraska State Bank, South Sioux City; Exec. Vice Pres.—**Kurt Yost**, Lincoln; Pres.—**Fred Otten**, Pres., Commercial State Bank, Hoskins, and 1st Vice Pres.—**James Bohart**, v.p. & cash., Harvard State Bank.

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## NORTHWESTERN BANKER

1535 Linden Street, Suite 201, Des Moines, Iowa 50309 Phone (515) 244-8163

**Publisher & Editor** Ben Haller, Jr.  
**Associate Publisher** Robert Cronin

**Associate Editors** Carla Lukenbill  
Diane Nelson  
Becky McBurney

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## C.C. Hope Top Candidate For FDIC Director Post

C.C. Hope, Jr., retired vice chairman of First Union Corp., Charlotte, N.C., and the 1979-80 president of the American Bankers Association, was reported to be the top candidate for the position of at-large director of the Federal Deposit Insurance Corporation last month. Although Mr. Hope had completed all the usual FBI clearances, at press time he had not yet been formally nominated by the White House to the third seat on the three-man FDIC board.



C.C. HOPE, JR.

Mr. Hope, long active in ABA affairs and well-known throughout the industry, would be the Democrat appointee to the board.

The newly-confirmed chairman of the FDIC is L. William Seidman, most recently Dean of the College of Business at Arizona State University. For many years he was managing partner of Seidman & Seidman, a New York CPA firm.

Senate hearings were underway last month on confirmation of the nomination of Robert L. Clarke, a prominent Houston, Tex., attorney to be the new Comptroller of the Currency. The C of C is automatically an FDIC director.

Both Mr. Seidman and Mr. Clarke have stated they will review the controversial new disclosure rules previously announced by the FDIC and Comptroller's offices.

## ABA Promotes Two

Donald G. Ogilvie, executive vice president of the American Bankers Association, has announced the promotion of two long-time executives in a move designed to strengthen management of the association's Banking Professions Group.

Effective immediately, Robert A. Wallgren, 43, is promoted to the new position of Group Director, Banking Professions. Succeeding Mr. Wallgren as director of the Consumer Financial Services Group is John C. Wolff, 34, formerly manager of ABA's Security and Risk Management Division and ABA's Payment Systems Policy Board.



## Bank Promotions

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

**American National Corporation, Chicago:** Michael E. Tobin, chairman and CEO, has announced that directors elected Ronald J. Grayheck, 51, to president of the corporation and of its principal subsidiary, American National Bank and Trust Company of Chicago. Mr. Grayheck has been senior executive vice president and head of commercial banking at American National since 1977 and has been a director since 1982.

An officer at the bank since 1962, Mr. Grayheck received both his undergraduate and MBA degrees from the University of Illinois at Champaign-Urbana.

Mr. Grayheck replaces Keene H. Addington, who has resigned to pursue other interests. Mr. Addington joined the bank in 1975 and was president and COO the past seven years.

**Cole-Taylor Financial Group, Chicago:** Daniel Kirsch has joined the group's corporate business development staff as vice president at Main Bank, it was announced recently by Sidney J. Taylor, chairman and CEO. Mr. Kirsch will be located at Main Bank-Chicago office, 1965 North Milwaukee Avenue.



D. KIRSCH

Mr. Kirsch served previously as vice chairman at Manufacturers Bank in Chicago. He received his degree from the University of Illinois.

**United Missouri Bancshares, Inc., Kansas City, Mo.:** Dan S. Spencer, Jr., vice chairman and advisory director of the lead bank, United Missouri Bank of Kansas City, N.A., has been elected a director of the holding company. He holds a Bache-

lor's degree from Kansas University and an MA in Economics from Creighton University in Omaha.

The holding company and the bank have reorganized the Comptroller's department to consolidate accounting activities, implementing the change with these elections and promotions:

William M. Teiwes to executive vice president, comptroller and chief financial officer of the holding company. He continues as executive vice president and comptroller for the bank. He joined the bank in 1964.

Marshall D. Hendrickson to senior vice president/administration of the holding company with responsibility for risk management, security and regulatory compliance for the 22 affiliate banks. He joined the bank in 1962.

Gary L. Lasche to vice president and assistant comptroller of the bank and promoted to vice president for the holding company. He continues as assistant comptroller for the company. He is responsible for regulatory and financial reporting for UMB-KC and the holding company. He moved from a Des Moines bank to UMB-KC in 1983.

In conjunction with the Comptroller's Department reorganization, these additional changes were announced:

Roberta Byers, Cynthia A. Parker, Debra J. Porter and Ken Sandrock to vice presidents; Carol A. Eber and Dennis Sines to assistant vice presidents, and June Banks, Karen Beets and Jill D. Cederburg to assistant accounting officers.

United Missouri Bancshares also announced that James Triplet has joined the company as a loan review officer, working with the 22 affiliates. He was associated with the Missouri Division of Finance prior to joining UMBI in August.

United Missouri Capital Corporation, a wholly-owned subsidiary of UMBI, has announced the election of Joseph M. Kessinger as executive vice president and manager. He had been associated with a Kansas City corporate financial consulting firm before joining the corporation in September.

In the investment banking division of UMB-KC, Robert W. Brickson and Stephen A. Robertson have been promoted to assistant vice presidents.

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## Four States Get PDP Accreditation



**1984-85** American Bankers Association (ABA) Education Policy & Development Council Chairman **C. Ivan Wilson** (far left), chairman of the board of First City Bank - Corpus Christi, Tex., presents ABA Professional Development Program accreditation certificates to representatives of four state bankers associations at the ABA Convention in New Orleans, the first states to be so accredited.

Also pictured are (l to r); **Bryan K. Koontz**, exec. dir., Wisconsin Bankers Association; **Dean A. Treptow**, pres., Wisconsin Bankers Association, and pres., the Brown Deer Bank, Brown Deer, Wis.; **Frank E. Brawner**, exec. v.p., Oregon Bankers Association; **Robert C. Anderson**, exec. v.p., Washington Bankers Association; **Charles D. Brummel**, president, Oregon Bankers Association, and pres., Security Bank, Coos Bay, Ore.; and **Berne K. Jensen**, exec. dir., Idaho Bankers Association.

### Management Conferences Offered by Associations

Following is a brief resume of several management level confer-

ences being offered in coming months by the American Bankers Association, Bank Marketing Association and Robert Morris Associates:

- ABA 1986 National Assembly for Community Banking, Feb. 16-19, San Diego. Specifically for CEOs. Three bankers will recount innovative actions they took to solve problems and increase profits. Four 1-hour sessions on microcomputer applications in bank—asset-liability management, strategic planning, commercial lending and selling products and services. Concurrent workshops and peer groups sessions. Call ABA at 202/467-4013.

- ABA 1986 Executive Round Table, April 2-5, Camelback Inn, Scottsdale, Ariz. Exclusively for mid-size bank CEOs—limited to 75 bankers. Mergers, acquisitions, strategic planning, financial delivery systems. Call ABA at 202/467-6730.

- BAM 1986 Electronic Banking Product Strategies Conference, March 2-5, San Francisco. Marketing strategy, the competition, applications, concurrent workshops, pricing and positioning strategies, exhibits. Call Terry Ann Cunningham at 312/782-1442.

- RMA Workshop on Loan Pricing and Profitability Analysis, Jan. 24, The Eldorado Hotel, Reno, Nev.

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### Deluxe Acquires Firm

Deluxe Check Printers, Incorporated, St. Paul, Minn., has purchased all of the capital stock of Colwell Systems, Inc., a privately held business forms printer based in Champaign, Ill. Colwell has been in business since 1927, and its sales in 1984 were approximately \$33,000,000.

Colwell concentrates primarily on short-run business forms and related supplies for medical and dental offices throughout the country. It serves this market through direct mail solicitations.

Eugene R. Olson, chief executive officer of Deluxe, stated that the acquisition of Colwell complements Deluxe's present business forms product line. Deluxe presently pro-

duces bank checks, short-run computer forms, one-write accounting systems and a variety of other stationery products for business and office use.

### Electronic Displays Keep Hockey Fans Informed

Both the University of Minnesota's Golden Gophers and the Pioneers of the University of Denver will use equipment designed and manufactured by Daktronics, Inc. of Brookings, S.D., to keep spectators, players and the media informed during hockey games this season and for years to come.

Installed in Mariucci Arena in Minneapolis are two solid state electronic scoreboards which display game time, goals, shots on goals and penalties. Incorporated into one of the scoreboards is Daktronics unique Starburst TM color message/animation system. A 24 x 96 matrix of lamps, with a multi-colored screen, provides a full color messages and animation for viewers.

The scoreboard sponsors include WCCO Broadcasting, Coca Cola of



Minneapolis and Norwest Banks. The University of Minnesota also uses Daktronics equipment to score and time Gopher basketball and volleyball games.

A scoring, timing and information display similar to the University of Minnesota's was installed at the University of Denver. The sponsor of the Pioneer's hockey display is the *Rocky Mountain News*, a daily Denver newspaper. The message/animation display will be used for other arena activities as well.

Both the Minneapolis and Denver installations are controlled by the Venus 4000 TM color operating system.

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**PRINCIPAL** speakers at the opening general session of the ABA Natl. Ag Bankers Conference were, from left: **Marvin Duncan**, sr. dep. gov., Farm Credit Administration, McLean, Va.; **Jerome K. Green**, pres. & ceo, J.I. Case, Inc., Racine, Wis., and **Michael E. Fitch**, chmn. of ABA Ag Bankers Div. and 1985 Conference Chmn. and v.p., Wells Fargo Bank, N.A., San Francisco. **RIGHT**—**Al Tubbs** (left), pres. First Central State Bank, DeWitt, Ia., received additional congratulations and thanks for tireless work on behalf of the ABA from ABA Pres.-Elect **Mark Olson**, who is also pres., Security State Bank, Fergus Falls, Minn. Mr. Olson announced that Mr. Tubbs had been presented recently with the prestigious Silver Eagle Award from ABA for his work.

### At ABA National Ag Conference

## Ag speakers look to future with hopes for Farm Bill, improved economy

By **BEN HALLER, JR.**  
Publisher

**S**ERIOUS problems will continue to plague agricultural banks and their farm customers in the year ahead, according to speakers and registrants alike at the ABA's 1985 National Agricultural Bankers Conference at the Hyatt Regency in Dallas last month. The greatest concern expressed is for the approach that Congress and the Administration will take on two critical issues—a bailout of the Farm Credit System and fashioning the new Farm Bill.

All speakers underscored the necessity for Congress and the Administration alike to face up to the responsibility for decreasing the federal deficits in a positive manner and to a significant degree—now! They also tied in with this basic premise the devaluation of the dollar to aid the lopsided foreign trade imbalance, and taking steps aggressively to increase American export sales, especially for the ag sector.

Added to the voices of general session speakers who painted the broad brush strokes of the realities of ag problems and American politics were dozens of concurrent session speakers who probed the many areas of potential improvement in the economy, bank profit and farm gains.

However, hope springs eternal for farmers, and ag bankers who finance them. Two general session speakers who brought a more positive, optimistic viewpoint to the platform were keynoter Jerome K. Green, president and CEO of J.I. Case, Inc., Racine, Wis., and John F. Marten, the well-known humorous staff economist for *Farm Journal* magazine, West Lafayette, Ind. (Their comments were reviewed briefly in the December 2 *Weekly Newsletter*.)

Mr. Green reviewed and made available to registrants a 111-page report on his company's recent survey, "Farmer Attitudes Toward Agricultural Lenders." The survey among 679 North American Class IA farmers in the United States and Canada has many positive factors in it from those respondents favoring commercial, local ag bankers. John Marten gave his own assessment of commodity prices and his insights as a farmer and economist into the farmland value question. He feels land will drop slightly more in coming months to a point roughly 40% of where it was at the peak of inflation, and will then stabilize, with new loan contracts and valuations based on the reduced land value. His example was a northern Illinois farm that peaked at \$4,500 an acre, is now down to \$2,200 an acre, but could probably be bought for \$1,600

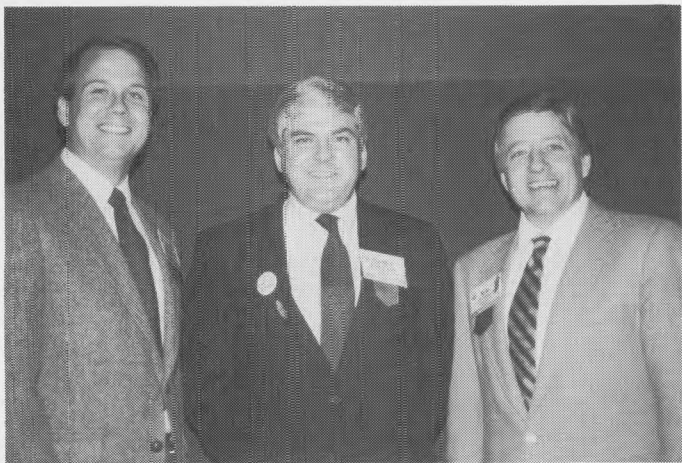
to \$1,700 an acre.

The seriousness of the 500 ag bankers attending the meeting, along with approximately 300 spouses, was evidenced by full attendance at every general session, the 24 concurrent sessions presented over a three-day period, and the 35 round table discussions. The first general session, for example, found registrants assembling for coffee and pastries by 7:00 a.m. and the session starting promptly at 7:50 a.m. After two major addresses, the bankers went directly into a series of concurrent sessions at 10:30 a.m., adjourning in time for the noon luncheon and two Congressional speakers, then spending all afternoon with concurrent sessions from 2:00 p.m. to 3:15 p.m. and 3:30 p.m. to 4:30 p.m. Many of the latter had overflow crowds and were held in session until the final minute with question and answer sessions and floor discussion. The same busy schedule prevailed throughout Tuesday and up until adjournment Wednesday noon.

Iowa again led the states in attendance with 179 registered in advance, consisting of 101 bankers, 78 spouses, 90 bankers and 77 individual banks. Kansas was second with 92 in total, and Nebraska was third with 78, made up of 44 bankers, 34 spouses, 41 bankers and 32 individual banks. Illinois was fourth with 49 and the host state of Texas was way back at 36 total registrants.

One of the standing-room-only sessions was "Restructuring Agriculture," moderated by Alan R. Tubbs, president of First Central





**LEFT**—Panelists for the "Workable Loan Review Systems" concurrent session were **Dwight Conover** (left), pres., and his brother, **C.B. Neal Conover** (right), chmn., 1st Natl., Creston, Ia., and **Rodney L. Dixon**, field mgr., Office of the Comptroller of the Currency, Des Moines, Ia. **RIGHT**—Panelists for the "Dealing with Bank Examiners" concurrent session were (from left): **Ron R. Poor**, pres., City B&T, Moberly, Mo.; **A. David Meadows**, assoc. dir. of div. of bank supervision, FDIC, Washington, D.C., and **John Ryan**, bank & fin. consultant, Arky, Freed firm, Miami, Fla.



State Bank, DeWitt, Ia., who was 1984-85 chairman of the ABA Ag Bankers Division. The two panelists were Michael D. Boehlje, head, Department of Agricultural and Applied Economics, University of Minnesota, St. Paul, and Frank W. Naylor, Jr., Under Secretary of Agriculture for Small Community and Rural Development, USDA, Washington, D.C. Dr. Boehlje was a professor of ag economics at Iowa State University in Ames, Ia., for a number of years until his appointment to the U of M at the start of the current school year.

Dr. Boehlje outlined the options available in three key areas: 1. Things the ag industry must do to

adjust itself. 2. How participants (including government) can accomplish those adjustments. 3. The role of the public sector. Mr. Naylor reviewed the two actions underway at the time in Washington to deal with those options—the FCS bailout bill and the new Farm Bill. He stated flatly that neither the House nor the Senate Bill would be acceptable to the President in their present form and would be vetoed. He said if major flaws aren't resolved in time to have the bill passed by Christmas then it would mean holding over to January 20, after which there are two sets of holidays and then a realistic time frame becomes April or May—long beyond the time when farmers and ag bankers alike must be making their loan agreements prior to planting time.

Mr. Naylor said "the issue of federal intervention (in the FCS problem) being necessary revolves around FCS assisting itself and having access to the window." He said if the FCS bill "has \$6 billion credit help in it, it will never see the light of day." He sees no help for commercial banks in the bill, stating their best bet is the FmHA guaranteed loan program, which has been improved.

More complete details of their presentations were given in the December 2 issue of the *NORTHWESTERN BANKER Weekly Newsletter*.

The conference program actually got underway on Sunday with a Musical Fellowship Service featuring an address by Dr. Norman Vincent Peale and a concert by the Texas A&M University Singing Cadets.

Alan R. Tubbs, chairman of the ABA Ag Bankers Division in 1984-85 and president of First Central State Bank in DeWitt, Ia., was singled out for special recognition several times. Michael E. Fitch, Mr. Tubbs' successor as chairman, and also vice president of Wells Fargo Bank, N.A., San Francisco, gave an excellent tribute to Mr. Tubbs for his work as Chairman and for extra-curricular duty representing ABA at numerous Congressional hearings, as a member of Secretary of Agriculture John Block's banker advisory committee, and other assignments he accepted. ABA President-Elect Mark Olson, president, Security State Bank, Fergus Falls,



**TWO** Panelists for the "Restructuring Agriculture" session were **Michael Boehlje** (left), head, Dept. of Agricultural and Applied Economics, University of Minnesota, St. Paul, and **Frank W. Naylor, Jr.** (center background), Under Secy. of Agriculture for Small Community and Rural Development, USDA, Washington, D.C. Moderator was Alan R. Tubbs, pres., First Central State Bank, DeWitt, Ia.



**SPEAKING** at the final general session was **Jo Ann Duke Smith**, pres., Natl. Cattlemen's Assn., Denver, Colo. A fifth generation farmer/rancher at Ocala, Fla., Mrs. Smith and her husband operate a 1,000 cow herd.





**LEFT**—Pictured at Nebraska reception were **Jack Moors**, chmn., American Natl., Sidney, and **Helen**, with **Virginia** and **Kelly Holthus**, pres.-elect, Nebraska Bankers Assn. and pres. & ceo, 1st Natl., York. **RIGHT**—Taking part in program at Iowa breakfast were, from left: **Wes Ehrecke**, IBA govt. rel./ag dir., Des Moines; **Al Tubbs**, pres., First Central State Bank, DeWitt; **Harold Stones**, exec. dir., Kansas Bankers Assn., and **Paul Quam**, IBA ag comm. chmn. and sr. v.p., Hayesville Savings, Hayesville.



Minn., announced that Mr. Tubbs had been presented ABA's highest honor, the prestigious Silver Eagle Award for his service. Kenneth W. Lee, associate director of ABA's Corporate Financial Services Group, presented a gift on behalf of the committee to Al and Myrna Tubbs.

Also addressing the opening general session after Mr. Green was Marvin Duncan, senior deputy governor of the Farm Credit Administration, McLean, Va. He outlined his analysis of the FCS situation, including his formula for making the FCA totally independent from FCS by becoming an adversarial regulator, with duties comparable for FCA to the role of the Comptroller of the Currency with national banks.

Concluding the morning session was a *Newsweek* Periscope Panel featuring four of the magazine's top reporters.

At the Monday noon luncheon, Reps. Sid Morrison (R., Wash.) and Harold L. Volkmer (D., Mo.) also took a look at potential Farm Bill legislation. Both said they support the ABA position outlined by Alan Tubbs at Congressional hearings that the FCS should not be made well at the expense of commercial lenders. Neither held out much hope about how the Farm Bill would be resolved, except to state that it is "a long-term problem" and the non-farmer majority of Congress remembers too clearly how the 1981 expensive farm bill didn't work and are seeking a different approach.

Mr. Fitch and Mr. Tubbs moderated a panel presentation given by John Hopkin, managing principal of

Hopkin & Associates, Inc., of College Station, Tex., and three of his associates at Texas A&M, on results of the in-depth ag study commissioned by ABA. Results of this survey have been made available to all member banks.

Speakers at the final session included John Marten, Jo Ann Doke Smith, president of the National Cattlemen's Association, Denver, Colo., and Tommy Lasorda, colorful manager of the Los Angeles Dodgers. Mrs. Smith and her husband operate a cow/calf ranch of 1,000 cows at Ocala, Fla. She is a fifth generation in the cattle breeding and feeding business.

Many of the concurrent sessions offered ag bankers an assortment of new ways to deal aggressively in today's climate and produce a profit, or an improved, more solid customer base—or both.

Bankers unable to attend the con-

ference, or who missed concurrent sessions while attending another of their choice, may obtain individual tapes or a complete set of about 30 tapes of the entire conference by contacting ABA.

The 1986 National Agricultural Bankers Conference is scheduled for November 16-19 at Opryland Hotel, Nashville, Tenn. □

## ABA Competitech Describes D&O Liability Insurance

The American Bankers Association Community Bankers Council developed a new *Competitech*, "Bank Directors' and Officers' Liability Insurance: What You Have — If You Can Get It," to help bankers understand director and officer insurance coverage.

This issue of *Competitech* provides an overview of directors' and officers' (D&O) liability insurance policies. It explains the terms most commonly found in bank D&O policies, discusses the scope of the coverage afforded by those policies, and reviews the procedures typically followed by the insurers in handling claims.

Also covered in this publication are the reasons for a hardening of the market for D&O coverage.

For more information or copies of this *Competitech* booklet contact ABA Order Processing, 44-B Industrial Park Drive, Waldorf, MD, 20601, (202) 467-4118. To order, request publication number 024804. Cost of the issue is \$30; ABA member discounted price is \$20.



**PANELISTS** for the "Effective Loan Agreements" concurrent session were **A. Gene Nelson** (left), prof. & head, Dept. of Agricultural and Resource Economics, Corvallis, Ore., and **Gary E. Wraga**, pres., Roseland State Bank, Roseland, Nebr.



# EFT marketers must think like retail merchants



By **THOMAS E. SAMMON**  
Assistant Vice President  
EFT Systems Division  
NCR Corporation  
Dayton, Ohio

**F**OR electronic funds transfer (EFT) to flourish at the point-of-sale (POS), financial institutions must start thinking like merchandisers, abandon proprietary POS network dreams, and embrace a "single streaming" concept.

A single-streaming system is one which integrates all forms of non-cash consumer payments — credit, check authorization or guarantee, direct debit and electronic check — allowing all to be handled at a single POS terminal and single phone line. With single streaming, proprietary bank cards would still exist, but merchants would determine which cards and payment forms would be accepted at the terminals in their stores.

In other words, all POS transactions would be fed to regional network switches, which would act as "gateways" to a nationwide consumer payment mechanism. This switch architecture, with common subsystems, would let retailers adopt simple and uniform operational procedures and give them the freedom to determine which payment mechanisms should be accepted by store, consumer, and geographic area. Acceptance of various payment mechanisms could then be coordinated with other marketing plans.

This nationwide system could and should embrace automated teller machine (ATM) processing, even though ATM transactions aren't official consumer payments.

Further, the business conducted over future single-stream networks will extend to electronic food stamps and "cents-off" coupons, hook-ups to retail marketing data bases, and inter-store electronic mail.

## Load Cables to Cut Costs

The idea is not to run multiple phone lines into a store, but to load as much traffic as possible onto a single cable to cut costs. Success for each institution will depend on its ability to leverage off communications utilities. That means POS networks will evolve into information transfer networks, with software and data bases much different from what exists today. We have to think past fund transfers to other valuable items which can be handled electronically.

Working with retailers and bankers has convinced me that a single-streaming system built through finan-

cial and retail cooperation makes both economic and marketing sense. To illustrate data base possibilities, we can sketch the marketing intelligence potential that could be opened up by a single-stream network which offered universal customer access. The ability to log items purchased by customers, by store, buying dates, and frequency would put at retailers' disposal a customer central information file. It could be tapped to produce lists for direct-mail marketing, to assess an ad's impact, or to analyze demographics.

## Time for Action Is At Hand

Though years of talk about an EFT/POS explosion has so far yielded little in the way of concrete results, the time for action is close at hand. Given the investment base, it is impossible for financial institutions to back away from the commitment to electronic transactions, which requires POS development to become truly cost effective.

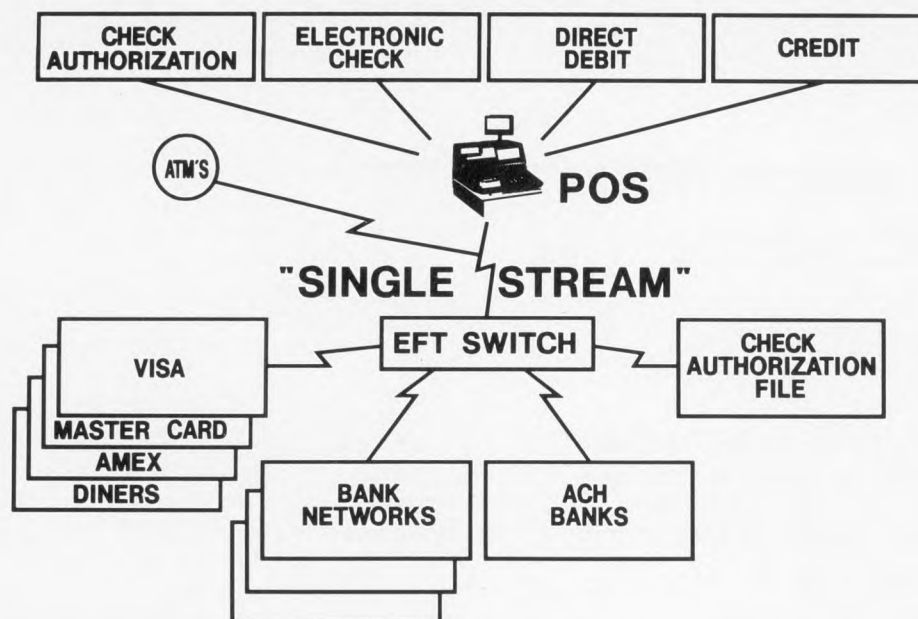
Statistics bolster this view, and we contend that terminal sharing is gaining acceptance. For instance, U.S. depository institutions are collectively spending more than \$2 billion a year for ATMs, or about \$70 annually per active ATM user (there are about 35 million). Some 450 retail banking networks now support more than 54,000 ATMs. Of these networks, 118 are shared (local, regional or national), which has boosted the percentage of shared-access ATMs to 40 percent of the installed base. By year end 1983, shared regional ATMs were handling about 3.75 billion transactions a year.

Spurred by challenges from non-bank financial competitors, such as Merrill Lynch and Sears, banks are keenly interested in increasing the number of convenient self-service terminals for routine transactions. So, with some banks approaching a saturation point for on-premise ATMs and with ATM sharing on the upswing, banks have been eyeing supermarkets, convenience stores and other retail outlets as terminal outposts in their war to increase convenience, reduce expenses, generate new accounts, and possibly beef-up interchange fee income.

Members of most of the nation's top regional networks now are coordinating efforts to keep ATM activity high and to build a POS base through advertising.

Yet, as a consumer product, EFT/POS is like a bar of





**A SINGLE-STREAMING** system integrates all forms of non-cash consumer payments — credit, check authorization or guarantee, direct debit and electronic check — allowing all to be handled at a single POS terminal and single phone line.

soap or a tube of toothpaste, since consumers will “buy” EFT/POS only if the cost is low and available in most places. This means EFT providers can only profit if transaction volumes are large.

#### Marketing Distribution

And what kind of marketing distribution channel does one associate with this profile — high-volume, low-value, disposable or use-once products? The answer is not the one suggested by bankers who insist they must maintain tight control over proprietary EFT/POS networks. That’s like Proctor and Gamble building dedicated stores to sell Crest toothpaste, because management can’t stand the thought of Crest sharing shelf space with Colgate products.

Bank insistence on proprietary POS networks has been driven by fear that anything less might lead to a loss of control over depository accounts and associated pricing mechanisms. So, some banks have tried to dominate entire delivery systems, including: ownership of computers, terminals, and software; determining POS user and transaction rules and eligibility, and pricing. This focus has caused EFT network development to veer somewhat away from the “lowest cost utility” approach.

Banks recognize that what they say over their telephones determines their value, not who owns the phone lines or whether those same lines are available to competitors. But they haven’t viewed POS networks as a utility.

Yet, retailers have the common distribution channel with location, labor, and incoming traffic. Lever Brothers uses this distribution channel, Coca-Cola uses it, and banks should, too. But, since most retailers are interested only in installing non-proprietary POS devices in their stores, to accommodate the largest possible percentage of the customer base, single streaming is essential.

When you are talking POS, you are talking about retailers’ life blood: how easy it is for a customer to buy

their merchandise. That’s why retailers are insisting on having a say in the design and operation of POS networks.

#### Potential Retail Benefits

A single-stream POS network has many potential retail benefits. For example, it offers a means to: increase customer convenience, gain competitive edge, cut expenses by boosting check-out productivity, reduce liability for bad checks, speed access to money. One study even points to POS terminals driving up average ticket sale values.

But, because POS has a major impact on retailer-customer relationships, merchants expect a voice in the design of EFT/POS systems as well as in POS pricing and policies. Among issues of concern to retailers are the handling of insufficient funds turn downs, merchandise returns, requirements for using personal identification numbers (PINS), and other cost-related factors.

The cost of buying a PIN pad and card reader for every terminal in a department store could be substantial.

While EFT/POS offers obvious advantages to both retailers and banks, consumers will determine its ultimate success.

That’s another reason we believe the time is right for POS. A third or more of all bank customers now use self-service ATMs and transaction volumes grow every year. Retailers also have made self-serve a way of life in supermarket lanes, at gas pumps and car-rental checkouts. There are even automated ticket dispensers for airline and ski lift tickets.

#### Consumer Differences

However, consumers do view debit and credit cards differently — a factor to be considered in designing single-stream systems. We must also emphasize the

**EFT MARKETERS. . .**

(Turn to page 35, please)



# The bank examination — an FDIC perspective



By **JAMES R. SHUMAKER**  
Assistant Regional Director  
for Nebraska and Kansas  
FDIC Regional Office  
Kansas City, Mo.

*Ed Note. Mr. Shumaker delivered the following address at the invitation of the Nebraska Bankers Association at three of the four recent NBA group meetings. The importance of the constructive, helpful points he made in his talk was evidenced by the extended question and answer period that followed. His professional analysis of FDIC's policies and procedures is presented here for the benefit and interest of all our readers.*

**M**ANY of you have not been examined by the FDIC for two to three years. It is hoped that a brief review of FDIC's policies and procedures in selected areas will reduce undue concern over the probable results of an examination. Our comments will be directed at three areas: Problem Banks and Enforcement Actions, Directors' Liability Lawsuits, and the FDIC's Perspective in Analyzing and Classifying Loans.

## Problem Banks — Enforcement Actions

"Problem Banks" are heavily weighted with agricultural banks in this region. I would like to preface my remarks on Problem Banks with the assurance that the FDIC fully recognizes the significant problems in the agricultural sector and the tremendous responsibility you, as officers of agricultural banks, have in limiting the human cost to your customers of these problems while insuring the continuing safety of your respective institutions.

A bank's community has legitimate and reasonable credit needs for productive purposes. Banks are chartered to serve those needs and insured to allow them to commit reasonable funds to those productive purposes, without fear of large-scale deposit withdrawals, based on some rumor, and resulting in insolvency. This is the foundation of the relationship between banks and the public they serve, their chartering authority and their deposit insurer. Clearly, if a bank serves an economically troubled area, it is going to encounter some problem credits. That is a bank with problems. There is a subtle, but important, distinction to be made between a bank with problems and a problem bank.

Many of you who have not been examined by the FDIC in the last two or three years are concerned at what point an institution ceases to be considered a bank with problems and becomes a "Problem Bank." Such a determination is made based on examinations of your institutions that evaluate the bank's capital adequacy, asset quality, earnings, liquidity and management. There are no magic formulas or key ratios that establish a bank as a "Problem Bank."

For those of you who have not been examined recently, I would like to give a brief composite of the two types of banks we generally see at examinations.

## BANK A

Institution has generally been accorded a "1" or "2" composite rating. The bank has recently seen a large expansion in its "Watch List" loans and non-performing loans due to successive crop failures which have diminished the borrowers' cash flow. Bank has had high loan losses between examinations. Analysis of most troubled borrowers shows operations to have been profitable in the past and debt should be serviceable over a reasonable future period given only average crops and prices. Officers have periodically reviewed the borrowers' position and the plan of repayment is clearly understood by both the bank, its directors and the borrowers. Loans are adequately documented; however, limited marketability has slowed actions by the bank to foreclose and has limited ability of borrowers to sell collateral to reduce debt. Earnings are trending downward and Reserve for Loan Losses has increased to an all time high level. Capital margins are weakening but are at a satisfactory level. The Board has become concerned over deteriorating asset quality and has increased the frequency of its meetings to provide oversight.

## BANK B

Institution has generally been accorded a "1" or "2" rating. The bank has seen some expansion in non-performing loans but generally reflects satisfactory to good earnings and above average capital margin. Directors meet quarterly as mandated by law. Reserve for loan losses stands at 1% and bank provision is equal to charge offs taken at examination. Borrowers are generally old time customers, well known to the officers; hence, concern over collateral documentation and financial condition analysis is limited. Formal repayment programs are not in place as borrower pays down after sale of his crops but has a continuing borrowing relationship. Interest is frequently capitalized, as note maturities do not meet cash realization periods.

## Comparison of Banks A and B

I would suggest that B looks stronger on the surface but should have more concern about an examination than Bank A. Bank A has recognized and is working with its troubled borrowers with active involvement of its directors. Bank B is "going with the flow" and it has not taken even preliminary steps to determine either the risk or loss evident in the portfolio. Bank B banks are prominent on our "Problem" bank list, while Bank A banks dominate our banks with problems.

**Obviously, we have no viable administrative remedy if the bank is generally doing everything right. Ulti-**



ately, of course, we have to consider the welfare of the bank's creditors and are obliged to ask a bank with problems for more capital if it has slipped to an unsafe and unsound level. If, however, the bank has dealt consistently with fringe borrowers or has otherwise dealt loosely in loan administration, then it is truly a problem bank. It was a problem bank even before economic conditions shoved it to the front for all to see.

The FDIC discloses to a bank's board of directors the Composite Uniform Bank Rating assigned at each full scope examination. Our Division of Bank Supervision has adopted a policy that presumes either a formal or informal corrective program now will be entered into with banks accorded Composite Rating of "3", "4", or "5" unless specific circumstances argue strongly to the contrary. Further, the policy of the Division of Bank Supervision is that it shall recommend to the FDIC Board of Directors that formal action pursuant to Section 8 of the Federal Deposit Insurance Act be taken against all insured State nonmember banks rated "4" or "5" *where evidence of unsafe or unsound practices is present*. Exceptions to the policy are to be considered only when significant improvements or other circumstances strongly mitigate the need for such an action. Belief that a bank has recognized its problems and will implement corrective action is not a basis for an exception.

### Directors' Duties and Responsibilities

Earlier this year, FDIC instituted a nationwide policy of sending letters to directors of banks accorded Uniform Bank Ratings of 3, 4 or 5, reiterating their duties and responsibilities. The letters also highlight the potential liabilities that may accrue to directors for failure to adequately discharge their responsibilities. These letters elicited some negative response from the banking community and adverse coverage in the media, including the allegation that the FDIC follows a policy of "almost automatic" lawsuits against directors and officers of failed bank. Not pointed out by these critics, however, is the fact that FDIC has a legal responsibility as Receiver of failed banks to maximize recoveries for shareholders, uninsured depositors, the FDIC, and other insured creditors. These critics apparently object on the basis that such lawsuits make it more difficult to find outside directors willing to serve on bank boards because of the potential financial liability.

Nevertheless, with respect to the allegation, there is no "automatic" process of using the judicial system to initiate litigation against directors and officers of failed banks. Any litigation authorized by our Board would occur only after an exhaustive investigation of the reasons for failure. Historically, the FDIC (in its legal capacity as Receiver) has sought recovery from directors in about two-thirds of failed bank cases. Furthermore, these lawsuits are not arbitrary or frivolous, but instead are based entirely on charges of negligence, conflict of interest, or some other breach of fiduciary duty, occasionally in connection with the directors' improper oversight of the lending function. If directors have acted reasonably, responsibly and with due diligence for the protection of shareholders and depositors, they have nothing to fear whatsoever.

■ **ABOUT THE AUTHOR**—James R. Shumaker holds a BA degree in economics from Otterbein College in Westerville, Ohio and is a graduate of the Graduate School of Banking in Madison, Wis. He served the FDIC as a bank examiner from 1966 to 1977 in the Columbus Region of the FDIC. This region was then composed of the states of Ohio, Kentucky and West Virginia. From 1977 to 1983 he served as review examiner in the Columbus, Ohio office. From 1983 to April, 1985 he served as chief review examiner for the Kansas City Region. In April, 1985 he was appointed assistant regional director with responsibility for corporation activities in Nebraska. In November, 1985 he assumed similar responsibilities for Kansas.

Regional Director Charles E. Thacker comments, "Mr. Shumaker's strong examination and problem bank experience is evidenced by his participation in the development of the present FDIC examination report, assisting in developing instructions for the preparation of the examination and his participation in the rewriting of the Corporation's Manual of Examination Policies."

### Loan Evaluation

The primary purpose of bank supervision is to preserve the safety and soundness of the banking system. Loan portfolio review is usually the primary focus of our safety and soundness examinations. Bank examiners evaluate loans based on their prospects for timely repayment. Regardless of the size and complexity of a loan, to analyze a credit, examiners evaluate the source of repayment, available collateral protection and the willingness and ability of the borrower to repay the loan — the so-called "3 C's" of credit analysis: character, capacity (cash flow), and collateral. These same factors are applied to all loans regardless of whether they are extended to agricultural, energy, real estate, or any other commercial entity.

This procedure and loan classification standards has not changed over the years. In evaluating problem loans, examiners attempt to apply standards consistently in a cautious and prudent manner. The classification process is designed to identify the loans that will require careful management by the bank in order to be collected. Loan classifications are expressions of different degrees of a common factor: risk of nonpayment. The fact that a loan is classified, however, does not change the financial capacity of the borrower. Further, we emphasize that adverse classification of a line should *not* be interpreted as a request for foreclosure or any other specific servicing action.

The only time that FDIC will ask a bank to take a particular loan off its books is when the loan is considered uncollectible and is classified as a loss. Even in those circumstances, bank management, not the FDIC, decides what action to take to achieve recovery.

### Causes of Problem Loans

Problem loans have a variety of causes. Of concern are problems arising from the disregard of the basic sound lending principles embodied in the 3C's previously mentioned. A loan is repaid from cash generated from the conversion of assets, profits, refinancing, or the infusion of capital. The key idea is to schedule repayment of the loan so that it coincides with the anticipated cash flows of the borrower. In case of disruption or failure of this primary repayment source, a lender should have a secondary source of repayment, such as collateral. Regardless of what appears to be adequate collateral protection, failure to establish at inception or thereafter enforce a program



## “Documentation is extremely important, and we consider monitoring cash-flow information to be vitally important.”

of repayment frequently leads to troublesome or awkward servicing problems and, in many instances, is responsible for serious loan problems including eventual losses. Economic conditions, both national and local, are continuously changing, and bank management must be responsive to these changes in its management of the loan portfolio and loan underwriting practices.

### Loan Review of Ag Lending

I would now like to specifically address our loan review and classification procedures as they relate to agricultural lending situations. We recognize fully the significant problems in the agricultural sector, and the tremendous responsibility you have in dealing with them. I would like to give a brief synopsis of a weak farm credit as seen in reviewing numerous loan write-ups in hundreds of examination reports.

Our ongoing analysis reflects that most of today's weak farm credits are evidenced by situations where borrowers' total debts have increased to a level that surpasses yearly servicing potential. Debtors' gross incomes are inadequate to meet interest expense, liquidate yearly operating loans and provide for regular reductions of term debt. In many cases, current income from livestock and grain collateral is totally inadequate, and secondary collateral protection (equities in machinery and equipment and real estate) has declined drastically in the past two years.

Our analysis indicates further that lack of attention to servicing ability (cash-flow) prior to granting operating and expansion loans is a primary factor that has led to many of these problem farm credits. This type of lending practice is potentially dangerous under any economic circumstances, but events that have occurred since the mid-1970's accelerated and heightened the problems that were bound to result.

We recognize the problems in the agricultural sector, and we continue to enhance our examiner training in order to better understand and deal with them. The majority of our examiners come from farm backgrounds, and we supplement this basic knowledge with continuing formalized training at various schools and workshops. The vast majority of you are very capable lenders and we, as regulators, have learned much from the give and take in discussions with you.

### Lender Needs Same Data As Examiner

At this point, I would like to emphasize that we see no need for a “banker vs examiner” situation regarding the analysis of loans. Regardless of who is performing the analysis, a careful review of an adequately structured and documented credit line should lead to a similar assessment of risk. Generally, a lender will want to see the same kinds of information that an examiner will want to see.

It is our intention to be realistic, fair and objective when analyzing loans. We do not classify agricultural loans on a “formula” basis but on a line-by-line basis. There are no “set” ratios that “trigger” a certain classification. Our policies and practices for analyzing and classifying loans do not change in reaction to economic conditions. We do not recommend or order

forced sales of collateral. Once risks are identified, corrective decisions are left to bank management and the board of directors.

Major problems that examiners encounter when attempting to analyze agricultural credits include:

- (1) inadequate structuring, and
- (2) less-than-complete documentation relative to financial information, loan officer file comments and description and perfection on liens on collateral.

### Proper Structuring Gives Control

As regards structuring, we realize there are geographical differences as to handling credits, but the “one note for purpose” rule generally results in better line control. As an example, advancing one note for the purchase of stock cows and one note for the purchase of a plow, with each note set on an appropriate pay-out, offers much better control than does advancing one six-month note for each purpose and then rolling the unpaid balances, along with other debt, into a yearly renewal note. Unfortunately, we see too much of the latter example. If unpaid balances are “blended” and rolled into “master renewals” for a period of years, meaningful analysis becomes virtually impossible. The only thing we can ascertain is that the debt level is going up. The proper structuring of a line allows for better control, does much to display which operations are making/losing money, and provides for a more timely identification of problems.

If a line is properly structured, it *may* allow an examiner to identify more accurately what portion(s) of a line present risk, and this *may* result in a lower dollar volume of classification. It will also help the bank's management and board of directors see and understand what is happening in a line.

### Documentation Vitally Important

Documentation is extremely important, and we consider obtaining and monitoring of cash-flow information to be vitally important. The ability to service debt has always been a primary consideration, and recent declines in collateral values make the ability-to-service factor even more important.

- Cash-flow statements need not be overly complicated, but they should be prepared in adequate detail, and they must be monitored continually. If properly prepared and watched, cash-flow statements will show whether operations are generating ongoing profits or losses.

- In addition to more use of cash-flow statements, examiners would like to see more detail regarding collateral in credit files. Specifically, our analysis would be enhanced by a better description of livestock, machinery and land (crop vs pasture, irrigated vs dry), and by a better description of outside debt to include principal and interest payments, lender and outside lenders' collateral position.

- Loan officer remarks are a very important source of factual information. Comments should be written, in

### THE BANK EXAMINATION...

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# A Final Tribute to Willis Alexander



WILLIS W. ALEXANDER  
1919—1985

By **BEN HALLER, JR.**  
Publisher

father, Willis Alexander, Sr., had founded The Trenton Trust Company in 1915. At the age of 14 young Willis and his brother, Maurice, accompanied their father, then president-elect of the Missouri Bankers Association, to Chicago in 1933 for the ABA convention at the old Stevens Hotel (now the Conrad Hilton). The father served the following year, 1934-35, as president of the MBA, a position Willis, Jr., filled 25 years later. Then, in October, 1968, Willis, Jr., returned to the Conrad Hilton Hotel, 35 years after his first trip there, and was elected president of the ABA.

It was during his term as ABA president that the full-time staff position as executive vice president became vacant. Willis filled in at that job and stayed with it for 15 years, distinguishing himself and the ABA throughout that period. He elected to announce his retirement at a final session of the 1984 convention in New York City, taking almost everyone by surprise.

One measure of the esteem with which Willis Alexander was regarded was the number of tributes paid to him at funeral services in Reston, Va., where he made his home, and in his native city of Trenton. Federal Reserve Board Chairman Paul Volcker delivered the eulogy, paying particular tribute to Willis' quiet, effective manner in dealing with any issue, always with respect for others involved in the discussion. The crowd of several hundred at the service was made up largely of those who knew Willis as the effective staff leader of ABA in Washington.

The service at First Baptist Church in Trenton was filled to capacity and the overflow crowd there was made up of those who were Willis' associates in his long-time capacity as president and in

more recent years as chairman of Trenton Trust, elderly townspeople who were friends of his parents, former classmates, fellow citizens, many of whom had been his customers all their lives and had been helped in various ways through his bank, or his personal efforts in civic work. The touching eulogy delivered by his son, Eric, was a simple but classic tribute from a son to his father whom he respected.

Eric, who lives in Bend, Ore., spoke on behalf of his two sisters, Mrs. Barbara Babb of Chesterfield, Mo., and Mrs. Tricia Elliott of Alexandria, Va. Willis also is survived by his wife, Sandy, of Reston, and their two daughters, Meg and Mary Kay.

Willis learned first-hand from his parents and later in his own church all the values and disciplines that speak of trust, honesty, justice, consideration for others—those values that flow from living one's belief in his God. Those who were privileged to know Willis Alexander can easily envision the warm and happy greeting he must have received as his reward—"Well done, my good and faithful servant." □

## Mercantile to Merge Seven St. Louis-Area Banks

Mercantile Bancorporation, Inc. will merge six of its banks in St. Louis and St. Louis County with Mercantile Trust Company N.A., Donald E. Lasater, Mercantile's Chairman and Chief Executive Officer, announced recently.

In addition to Mercantile Trust, the proposed merger includes: Mercantile Commerce Trust Company, St. Louis; Clayton Mercantile National Bank, in Clayton; Lewis & Clark Mercantile Bank, in north St. Louis County; Mercantile Bank of South County N.A. and Gravois Mercantile Bank, both in south St. Louis County, and Mercantile National Bank of St. Louis County, in Chesterfield.

"The main purpose of our action is to improve service to existing and potential customers of these banks. Upon completion of the merger, customers will be able to conduct their banking and financial business at the most convenient location of any of the resulting 22 Mercantile Trust Company banking offices," Mr. Lasater said.

**L**AST January we published in our first issue of the year our "Salute to Willis!" on the occasion of the retirement of Willis Alexander from his duties as executive vice president of the American Bankers Association after serving with dedication in that post for 15 years. That feature, written to honor a good friend of all in banking, began, "How do you say farewell to a friend you don't want to see take his leave?"

Now, in this last issue of the year, we pay tribute again to Willis, who died October 27 at the age of 66 of cancer diagnosed just 60 days earlier.

It would be redundant to repeat all of that earlier article, but highlights of his life certainly show the high caliber of man he was.

Willis was born into a banking family in Trenton, Mo., in 1919. His



*From our family to yours, warmest wishes  
for a joyous holiday season.*



Correspondent Services Department





## Minnesota

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



### V.P. Appointed in Hutchinson

Kenneth A. Cain has been appointed vice president and cashier at First National Bank of Hutchinson.

For the past five years Mr. Cain has been an assistant vice president of First Bank, St. Paul, in the correspondent banking and private banking divisions. Prior to that he was vice president and cashier of Beatrice National Bank and Trust Company of Beatrice, Neb. for 15 years. He began his banking career in 1957 in Sioux City, Iowa.



K. CAIN

### Elected in Pine City

Edward W. Palmer has been elected executive vice president and cashier of Pine City State Bank. As chief operating officer, he will be primarily responsible for the lending, operations, personnel and daily management functions of the bank.

Mr. Palmer most recently served as vice president and cashier of Pine City State Bank, which he joined in 1983. Prior to that, he spent 13 years serving in various positions in First Bank System, Inc., at locations in South Dakota, Montana, Minnesota and North Dakota.

### Promoted in St. Cloud

David T. Shay has been promoted to assistant vice president in commercial loans at The First American National Bank of St. Cloud. He joined the bank in 1980.

### VP Named in Edina

Bruce Gehrke has been named assistant vice president, commercial division of First Bank Southdale,

Edina. Prior to joining the bank, he served as vice president of commercial and agricultural lending at First Bank Northfield.

Mr. Gehrke began his banking career in 1973 at First Bank Rochester as a management trainee. He was named commercial loan officer at First Bank Bismarck in 1976. Mr. Gehrke transferred to First Bank Edina in 1979 where he served as assistant vice president, commercial lending. He joined First Bank Northfield in 1981.

### Added in Blaine

John VanSon has joined the staff of First Bank Northtown, Blaine, as a commercial lending representative. He began his career with First Bank System in 1983 as auditor with the Great Falls Region.

W. Norman Swenson has been elected assistant vice president, commercial lending at First Bank Northtown. He transferred to the bank from First Bank Lake, where he was manager of the Bloomington Lake Office. Prior to that, he was vice president of operations at First Bloomington Lake National Bank. He began his career with First Bloomington Lake National in 1966.

### Salary Survey Available

According to the 1985 Minnesota Bankers Association Salary and Benefits Survey, most banks conduct salary reviews annually for officers (98%) and non-officers (88%), and 36% have a formal salary administration program. 176 Minnesota banks participated in the survey, which outlines average salary and other information for 66 different positions.

The survey is sponsored annually by the MBA Human Resource Committee. It is available to MBA member banks only and costs \$390.

"A new 25 page section on bank employee benefits was added this

year," said committee chairman Scott Hutton, First Bank Edina, "which we feel is very important in addition to salaries." The survey found a wide range of benefits are offered to bank employees.

### Elected in Owatonna

Gene B. Drake has been elected assistant vice president of the commercial loan department at Norwest Bank Owatonna, N.A.

Mr. Drake spent two years with the First Bank Worthington, Minn., as an assistant vice president in commercial lending and manager of the consumer department, and five years with the First Bank of South Dakota in Sioux Falls as a loan officer and consumer loan manager.

### MBA Lending Manuals Available

The Minnesota Bankers Association Lending Procedures and Forms Manuals have undergone eight updates since they were originally distributed in 1980 and are currently being updated for the ninth time. Nearly 600 banks subscribe to the manuals, which include four volumes, according to Truman Jeffers, MBA executive vice president. The four volumes cover consumer lending, agricultural lending, real estate lending, and commercial lending. The manuals are available for \$500 per set plus a yearly updating fee.

### 1st American of St. Cloud Selected for PLP

First American National Bank of St. Cloud has become one of only two banks in Minnesota selected to participate in the federal government's "preferred lender program." The program, operated by the U.S. Small Business Administration, allows selected banks to approve SBA loans at the local level. Seventy-one of all banks in the U.S. have received the designation.

Bank officials said the PLP designation by the SBA will allow a faster response on loan requests by allowing the bank to approve SBA loans locally. In addition, First American will be able to process SBA loans for rural banks in central Minnesota, said John Herges, vice president and manager, commercial loan department.





## Twin Cities

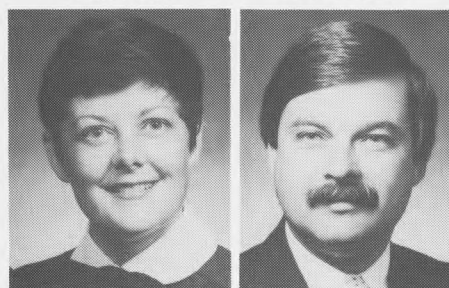
Marquette Bank Minneapolis has recently named **Peter N. Miller**, vice president of marketing for the trust services group; **Andrew R. Guzman**, vice president and director of marketing; **Leslie Milbrandt**, retail operations officer, and **Kenneth R. Miller**, assistant vice president, commercial lending, for Marquette Lease Services.

In his new position, Mr. Peter



P. MILLER

A. GUZMAN



L. MILBRANDT

K. MILLER

Miller will supervise all product development and market support services for the trust services group. Prior to joining Marquette Bank Minneapolis, he had served as an assistant vice president for the IDS Trust Company of Minneapolis.

Mr. Guzman will direct all marketing efforts and supervise all internal and external support services for the Marquette Banks. He also will oversee the banks' product management and sales management efforts. Mr. Guzman, who specializes in target marketing for the affluent and emerging affluent markets, has been associated with several finan-

cial institutions across the country.

Ms. Milbrandt joined Marquette Bank Minneapolis in 1974 and has served in a variety of positions for the bank, including operations officer and consumer service representative. In 1982, she transferred to Marquette Bank Rochester as an assistant to the vice president of marketing. She was promoted to director of marketing the following year, and most recently served the bank as a marketing officer.

Mr. Kenneth Miller had served as the district sales representative for Fleet Credit Company of Minnetonka. He has also served as an account executive for ITT Industrial Credit of St. Paul.

\*\*\*

American National Bank, St. Paul, recently announced the addition of **Richard E. Pringle** as vice president-bond, and **Lynn Lyndsay** as assistant vice president-international.

Mr. Pringle has over 37 years experience in the financial business. Prior to joining American, he was employed by First Bank Saint Paul as manager and administrative officer of the brokers clearance and registrar departments.

Mr. Lyndsay was most recently with the international banking division of First Bank Saint Paul. Prior to that he was employed by First Chicago in international credit and foreign exchange.

\*\*\*

Norwest Corporation has promoted **David Jarvis**, chief financial officer of the corporation, to vice chairman. Most recently, Mr. Jarvis was executive vice president.

Mr. Jarvis joins **Richard S. Levitt** as one of two vice chairmen of the corporation. As chief financial offi-

cer, he heads Norwest's finance and pricing committees and has responsibility over planning, corporate development, control, accounting, taxes, treasury, investment, risk administration, investor relations, and property management, including the development of Norwest Center.

Mr. Jarvis joined Norwest in 1981 as a senior vice president and was named executive vice president in 1982.

\*\*\*

**Francine Tarrant** has been elected personal banking officer of First Bank Grand with responsibility to supervise the retail convenience bankers and retail support staff.

Ms. Tarrant came to First Bank Grand in 1985 as retail support supervisor, with 13 years of prior banking experience with financial institutions in Chicago, Illinois. Ms. Tarrant has most recently served with the Midtown Bank and Trust Company of Chicago as assistant cashier and manager of its Broadway Bank.

\*\*\*

**Sandra M. Pesheck** has been elected commercial lender for First Bank Security. She has most recently served as credit review officer of First Bank Lake, with credit review responsibilities for the Central Cluster of First Bank System, Inc., which is com-

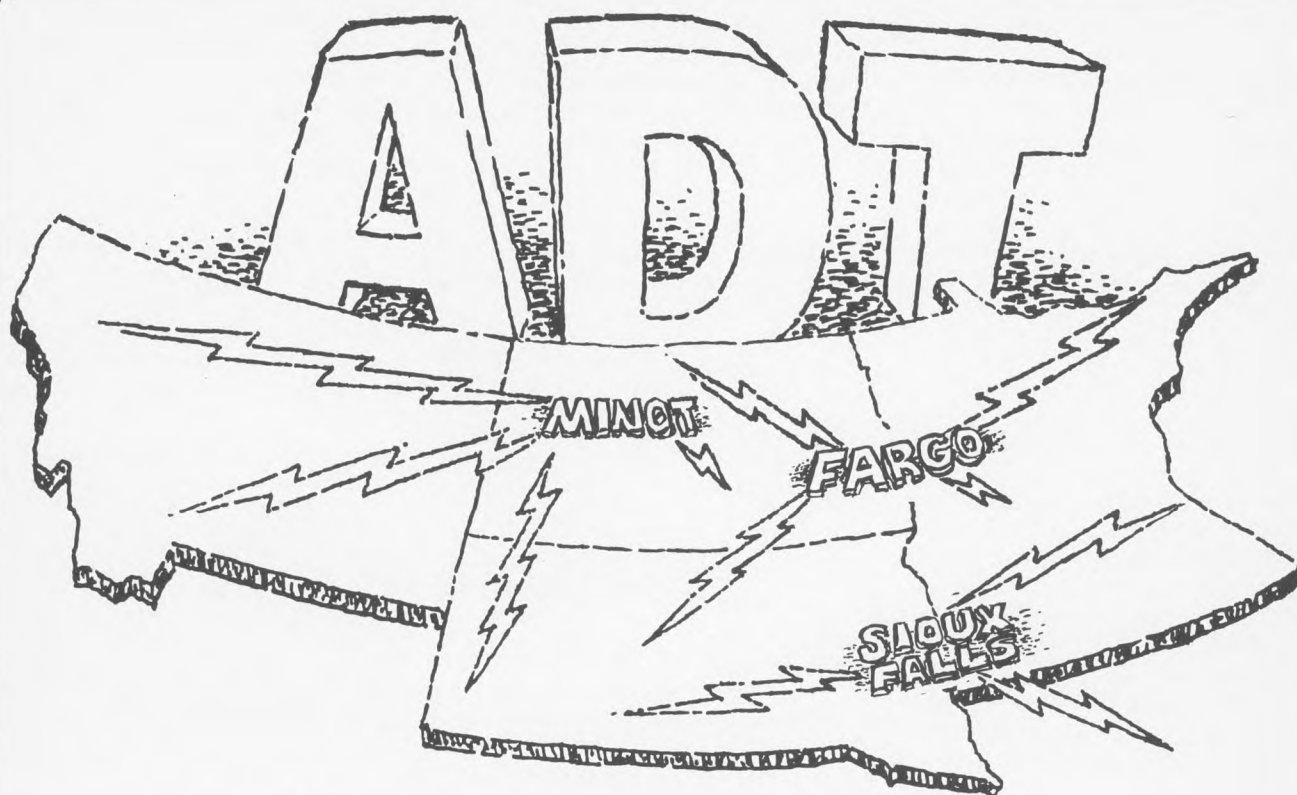


F. TARRANT



S. PESHECK





## How ADT became the largest processor of independent banks in the area

It started 20 years ago.

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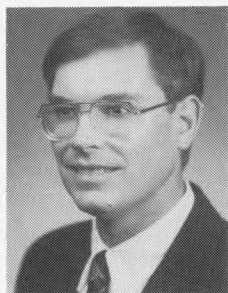
prised of First Bank Lake, First Bank Grand, and First Bank Security. Prior to that, Ms. Pesheck had served as operations officer at First Bank Security since 1983. She began her career with First Bank System in 1976 in the accounting department of First Bank Duluth, where she became comptroller's assistant before transferring to First Bank Edina in 1981 as operations assistant.

\* \* \*

**Joan Knutson** was elected to the board of the Exchange State Bank, St. Paul. Ms. Knutson has served on the White Bear Lake Area School Board for eleven years, eight years as treasurer and the last three as chair. She also is a member of the Board of Education of Special Intermediate School District 916, the Vocational-Technical School serving nine Northern and Eastern suburbs of St. Paul in Ramsey and Washington Counties and has served as chair the last two years.

\* \* \*

The Independent State Bank of Minnesota recently elected **Charles C. Hokans** as assistant vice president in the marketing area. His primary responsibilities include market analysis, public relations and the promotion of bank services.



C. HOKANS

Mr. Hokans has an extensive background in marketing with over twelve years of experience in the banking industry.

\* \* \*

**Betty Chapman** has been promoted to the position of vice president of First Bank Northfield, and will continue to serve as manager of the retail banking division.



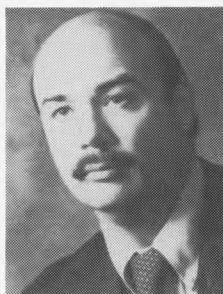
B. CHAPMAN

Ms. Chapman, who had previously held the position of assistant vice president, began her banking career at First Bank Northfield

in 1970 as a secretary. She was named assistant cashier in 1974 and promoted to the position of assistant vice president in 1979. In March of 1985, she was named manager of the retail banking division.

\* \* \*

**Robert E. Leech** has been named senior vice president and head of the personal trust area of First Trust Company, Inc.



R. LEECH

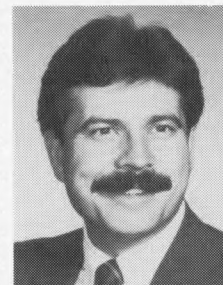
Mr. Leech, who has 18 years of experience in the trust business, has most recently served as president of First Bank of South Dakota in Sioux Falls, where he was also responsible for the bank's statewide trust activities. Mr. Leech has been associated with First Bank of South Dakota since 1981, when he joined the bank as senior vice president and trust manager.

Prior to that time, he was vice president and managing trust officer for Brenton Banks, Inc., in Des Moines, Iowa.

\* \* \*

The Minnesota Bankers Association's Executive Vice President **Truman Jeffers** has announced the appointment of **Joseph E. Dwuznik** as program coordinator for MBA. For the past several years, he has worked in the area of sales and development of training programs for financial institutions. Mr. Dwuznik's responsibilities will include coordination of MBA's educational programs for member banks attended annually by some 12,000 bank employees.

\* \* \*



J. DWUZNIAK

**Randall B. Nielsen** has been appointed vice president of Park Insurance which is affiliated with Park Bank, St. Paul.

Mr. Nielsen's responsibilities will be to manage the insurance agency operations and develop a strong in-

surance broker relationship in the community.

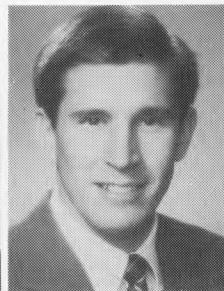
Most recently, Mr. Nielsen was with Frank B. Hall and Company of Minnesota and prior to that American Hardware Mutual Insurance Company of Minneapolis.

\* \* \*

First Bank Lake recently elected **Barbara L. Pacholl** as assistant vice president and manager of credit review for the Central Cluster of First Bank System, Inc., and **David W. Rymanowski** as commercial loan officer.



B. PACHOLL



D. RYMANOWSKI

Ms. Pacholl most recently served as senior credit review officer and manager of credit review. Prior to that, she was a loan review analyst at First Bank Minneapolis. She began her career with First Bank System in 1979 as a credit examiner.

Mr. Rymanowski began his career with First Bank Lake in 1983 as a management associate in the professional development program.

\* \* \*

First Bank Saint Paul has recently promoted **Sophie Bell** to vice president. Ms. Bell, who joined the bank as commercial banking officer in January 1983, had been assistant vice president in the regional banking group since August 1983.



S. BELL

First Bank Saint Paul has also signed a letter of intent to sell the building complex to a St. Paul-based real estate partnership, the Minnesota Street Associates Limited Partnership. Sale of the property, which includes the buildings and land located at 332 Minnesota Street, was expected to take place in early November.

"We continually review ways to maximize the use of our assets," said **Dale S. Hanson**, president of



- First Bank Saint Paul. "The funds generated by the sale of the First Bank Saint Paul building will be re-invested in other higher earning opportunities for the bank."

- First Bank Saint Paul will continue to lease 65% of the building, including the first eight floors. All First Bank employees using the complex will remain in their present locations and will retain use of all bank facilities.

- To maximize use of its financial resources, First Bank System has sold 23 First Bank buildings during the past year, including the First Bank Place West building in downtown Minneapolis. Other Twin Cities First Bank Buildings which have been sold include First Bank Grand in St. Paul, First Bank Edina and First Bank Southdale in Edina.

\* \* \*

- Jack G. Williams, Jr., recently joined National City Bank as assistant vice president of loan review. Mr. Williams comes to National City Bank with six years of banking experience and is a member of the Robert Morris Association.



J. WILLIAMS

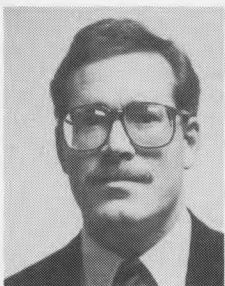
\* \* \*

- First Bank Minneapolis has appointed Ronald A. Larson as head of the leasing group; Edwin Jenkins as vice president, and Patricia Goodwin as vice president of corporate communications.

- As group head, Mr. Larson is respon-



R. LARSON



E. JENKINS



P. GOODWIN

sible for coordinating all transportation and high tech equipment lending and leasing activities at the bank. The bank has two divisions that focus on those capabilities. Mr. Larson also becomes a member of the FBM senior management group.

Mr. Larson joined First Bank Minneapolis in 1970 after completing his BA in business administration at Moorhead State University in Minnesota. He has held various commercial banking positions at FBM, and most recently managed the high technology lending and leasing division.

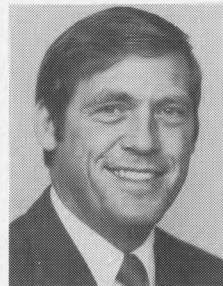
Mr. Jenkins, who joined the bank in 1977 as residential loan representative, had been assistant vice president in the mortgage banking services division.

Ms. Goodwin, who joined the bank in 1981 as public relations specialist, had been assistant vice president and director of corporate communications since 1983.

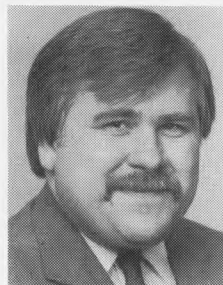
\* \* \*

Norwest Bank Midland recently elected Harvey S. Becker and Walter O. Rukke as vice president, and Glenn A. Sansburn as commercial real estate officer.

Mr. Becker began his banking career at Norwest Camden in 1964 as a teller trainee.



H. BECKER



W. RUKKE



G. SANSBURN

Mr. Rukke began his banking career with Norwest Bank Midland in 1972 as an accountant. Mr. Sansburn recently joined Norwest Bank Midland's commercial real estate department.

\* \* \*

Norwest Bank University-Midway, N.A. recently elected Lois K.

Bowers to the position of installment loan officer. Ms. Bowers joined the bank in 1980 and has held a variety of positions in the teller area. She is currently an installment loan representative.



L. BOWERS

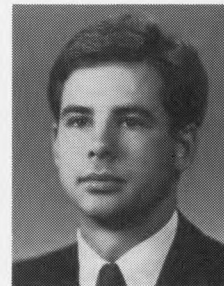
\* \* \*

Norwest Bank St. Paul, N.A. has elected Mark D. Nyquist as assistant vice president of commercial banking, and Douglas N. Hafner and Brian K. Smith as commercial banking officers in the sales finance division.

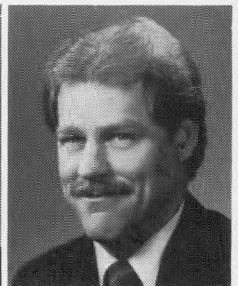
Mr. Nyquist joined Norwest



M. NYQUIST



B. SMITH



D. HAFNER

Bank Billings, Montana in 1982 and has recently moved to St. Paul and joined Norwest Bank St. Paul.

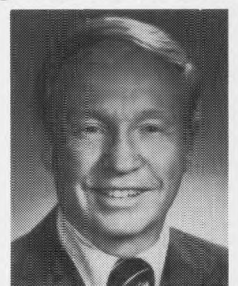
Mr. Hafner joined Norwest Bank St. Paul in 1985 after having worked for 1st Bank of Spring Lake Park.

Mr. Smith joined Norwest Bank St. Paul in 1985 from Midway National Bank.

\* \* \*

Allison-Williams Company, an investment banking firm established in 1919, announced the promotion of Robert C. Tengdin to chairman. Formerly, Mr. Tengdin had been president of the company.

Mr. Tengdin joined the firm in 1952 as a



R. TENGDIN



sales trainee and subsequently held a variety of sales, management and executive positions. He was named a vice president in 1959 and a director and senior vice president in 1965, before ascending to the presidency in 1977.

\* \* \*

**Gregg S. Hannah** has joined Marquette Capital Management Corporation as president.

In this position, Mr. Hannah will oversee all operations of Marquette Capital Management Corporation, a wholly-owned subsidiary of Marquette Bank



G. HANNAH

Minneapolis specializing in a broad range of investment services. He will be involved with all long-range planning for the corporation, and also will concentrate on corporate and account management as well as the investment strategy process.

Previously, Mr. Hannah had been associated with Norwest Bank Minneapolis for twelve years. During that period, he served in a number of investment and management capacities in the capital management and trust group. In his most recent position at Norwest, he was vice president and manager of the employee benefit investment division of the institutional services department.

In a related move at Marquette Capital Management Corporation, Richard B. Hume, the former president, has been named chairman of the board.

\* \* \*

The Midwest Banking Institute is now accepting applications for its 1986 session to be held July 20-25, 1986, at the University of Minnesota, Morris. The Institute is open to mid-management level agricultural lending personnel from member banks of the Minnesota, Wisconsin, North Dakota, South Dakota, and Montana Bankers Associations. Students are required to attend the two one-week sessions held in two consecutive years and those who satisfactorily complete all the requirements, receive a certificate of completion.

The curriculum of MBI is developed by a combination of banking

industry leaders, consultants and educators. The 1985-86 MBI board of directors are: Minnesota: **Wayne F. Berthiaume**, Minnesota Bankers Association, Minneapolis; **Richard O. Hawkins**, University of Minnesota; **Dr. John Imholte**, University of Minnesota, Morris; **Truman L. Jeffers**, Minnesota Bankers Association; **Dale Mehrkens**, Goodhue County National Bank, Red Wing; and **Gary Vanderwerf**, Windom State Bank; Wisconsin: **Stanley Liddle**, M&I Western State Bank, Oshkosh; **Bryan K. Koontz**, Wisconsin Bankers Association, Madison; and **Duaine Espgaard**, First American Bank, Amery; North Dakota: **Harry J. Argue**, North Dakota Bankers Association, Bismarck; **Ronald Braseth**, First National Bank, Hettinger; and **Brian Houkom**, Norwest Bank Wahpeton; South Dakota: **Gene Holsing**, First State Bank, Warner; **Richard Palmatier**, First Bank of South Dakota, Madison; and **J.I. Milton Schwartz**, South Dakota Bankers Association, Pierre; Montana: **John T. Cadby**, Montana Bankers Association, Helena; **Mike Jamison**, First National Bank, Miles City; and **Howard Torgerson**, Farmers & Merchants Bank of Montana, Rudyard.

For more information, contact the sponsoring state banking associations.

### Elected to BEEF Board

Mark Korell, president and chief executive officer of First Bank System Mortgage Corporation, has been elected to a three year term to serve on the board of the Business Economics Education Foundation (BEEF). He has assisted the Foundation by providing materials for the school year program and was in attendance at BEEF's summer institute, Minnesota Business Venture, which was held at St. Olaf College.

First Bank System has had a long standing commitment to BEEF through the participation of past board members as well as persons involved with Minnesota Business Venture. George Dixon held the position of chairman of BEEF's Advisory Council, Pete Ankeny and Clarence Frame were active in the funding of Minnesota Business Venture and Lloyd Brandt served as chairman of the board of BEEF.

BEEF was organized in 1976 to provide a mechanism for business, labor and government to work with secondary schools in relating the "real world" to the business and economics curriculum.

### CLS Advisory Bd. Meets

The Minnesota Bankers Association Commercial Lending School (CLS) Advisory Board met Oct. 16 to review the student and teacher evaluations of the 1985 CLS session which was held at St. Olaf College in Northfield on Aug. 11-16, and to begin plans for the 1986 session. According to CLS Administrator Wayne Berthiaume, the 1985 session was rated extremely high. "This means we're accomplishing our goals for a professional two-year program on commercial lending," he said.

### Excellence Award



**Dan Dupar** (left), 1984-85 president of Robert Morris Associates' (RMA) Wisconsin Chapter, and first vice president, First Wisconsin National Bank, Milwaukee, recently received an RMA Standard of Excellence Award on behalf of his chapter from RMA Executive Vice President **Clarence R. Reed** (right). The award was presented during RMA's recent Fall Conference (convention) in Boston.

RMA's Wisconsin Chapter was the top scorer in Category B (chapters without sub-chapters) of the program. Implemented in 1984, the Standard of Excellence Program enables leaders of RMA's local units to evaluate their year's activities and performance and to identify areas for improvement. Performance by the local units is rated in five key areas: planning and administration; organization; educational and professional activities; membership recruitment; and communications and public relations.



## Wisconsin

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



### Spring Green Bk. Affiliates

In a recent joint announcement, John W. Johnson, president of Bank of Spring Green, and Gus A. Zuehlke, chairman and CEO of Valley Bancorporation, said Spring Green Bankshares, Inc. and its subsidiary, Bank of Spring Green, will affiliate with Valley Bancorporation. The Bank of Spring Green serves the Spring Green and Plain areas and other parts of Sauk, Iowa and Richland counties. The plan calls for Valley to use its common stock in the transaction.

The proposed affiliation with Valley Bancorporation is subject to approval by the board of governors of the Federal Reserve System and the shareholders of Spring Green Bankshares, Inc. and Bank of Spring Green.

Mr. Johnson stated his board has long been concerned with the growing financial requirements of their expanding community. He pointed out that his board chose the holding company affiliation as a method of acquiring greater financial strength for the Bank of Spring Green, as well as obtaining the services of various holding company professionals who will assist the bank in providing the best service possible.

The bank will continue to be managed by its existing board and officers.

### Name Change in Eau Claire

The former American National Bank and Trust Company of Eau Claire, recently acquired by First Interstate Corporation of Wisconsin, Sheboygan, changed its name to First Interstate Bank of Wisconsin amid celebrations that included sign unveiling ceremonies, cake cutting and open houses at the bank's six offices.

The bank's new identification signals its participation in the nationwide First Interstate network.

Through the Wisconsin company's franchise agreement with First Interstate Bancorp of Los Angeles, the Eau Claire bank will offer a core group of products common to all First Interstate Banks and will gain access to many additional resources of the nation's eighth largest banking company.

President of the Eau Claire bank, Richard Cramer, was joined by David Beck and Richard Pauls, president and chairman, respectively, of First Interstate Corporation of Wisconsin, in unveiling one of the new signs.

The franchise agreement, in effect for over a year in Wisconsin, gives First Interstate of Wisconsin exclusive license to use the First Interstate name while retaining Wisconsin ownership and management.

### President Named in Casco

Valley Bank of Casco has recently named Rudolph P. Hanamann to the position of president and CEO. Mr. Hanamann succeeds William D. Bushner who was named president of Valley Bank of Oregon.

Mr. Hanamann has been with Valley Bancorporation for 12 years. He began his association with the Valley Bank of Casco as a teller trainee and advanced through various positions until being elected to the board in 1976 and being named executive vice president in 1979.

### Promoted in Green Bay

Barry James has been promoted to senior vice president of First Interstate Bank in Green Bay. He supervises all lending for the institution as well as the personal banking area.

Mr. James joined First Interstate Bank in Green Bay in 1982 as assistant vice president in the commercial lending area. He moved to First Interstate's Green Bay commercial

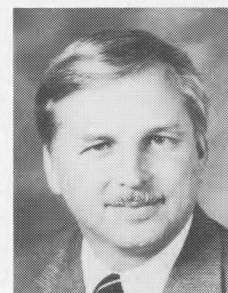
services office when it opened, in 1983, and was regional vice president responsible for commercial business development in northeastern Wisconsin. That office was recently relocated at the First Interstate Bank, 908 South Fisk Street, Green Bay.

Before joining First Interstate Bank, Mr. James was employed as a commercial loan officer and assistant branch manager at Merchants National Bank and Trust, Indianapolis, Indiana, and as a commercial loan officer and assistant vice president at Citizens National Bank, Evansville, Indiana.

### V.P. Joins F&M Menomonee Falls

James C. Hazzard has joined F&M Bank Menomonee Falls as senior vice president, personal banking.

He was formerly senior vice president, head of community banks' division as well as vice president, Heritage Wisconsin Corporation and director of marketing of Heritage Corporation. Prior to being named vice president of Heritage Wisconsin, Mr. Hazzard was president and chief executive officer of Heritage Bank, Menomonee Falls.



J. HAZZARD

### Promoted in Sheboygan

F.J. Buri has been promoted to corporate in-house counsel at First Interstate Corporation of Wisconsin. He provides counsel and research on legal matters involving the organization and its affiliates, serves as assistant secretary of the corporation and is responsible for other corporate legal matters including liaison efforts with outside counsel.

Mr. Buri joined The Citizens Trust Company, predecessor of First Interstate Trust Company of Wisconsin, in 1981. He worked there as an employee benefits officer before joining the parent bank holding company as corporate legal advisor in 1983.

### WISCONSIN NEWS...

(Turn to page 36, please)



## Illinois

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



### Approval in Rockford

Officials of Americorp Financial, Inc., a Rockford based multi-bank holding company, announced recently they have received approval from the Office of the Comptroller of the Currency and the Board of Governors of the Federal Reserve for the acquisition of Illinois National Bank & Trust Co., Rockford and its consolidation with American National Bank and Trust Co., Rockford. The transaction was to be consummated on or about November 18, following a mandatory 30-day waiting period.

The transaction also has been approved by stockholders of Illinois National, stockholders of Illinois National's parent company, Rockford Bancorp; and by Americorp Financial, Inc., American Bank's parent company and sole stockholder.

The bank resulting from the consolidation of American Bank and Illinois National will have assets of approximately \$700 million, ranking it eighth in size among all Illinois banks and the largest bank in Illinois outside Cook County.

The company's total assets following the consolidation transaction will be in excess of \$900,000,000.

In addition to American National Bank and Trust Co., Americorp Financial, Inc., also owns Colonial Bank of Rockford, First National Bank of Woodstock, Carpentersville Savings Bank, First National Bank of Pekin, Illinois and a non-bank subsidiary, Americorp Financial Life Insurance Company of Arizona. After the consolidation, Americorp will be the 10th largest multi-bank holding company in Illinois.

### Pres./CEO Named in DeKalb

Dewey R. Yaeger was recently elected president and CEO of the DeKalb Bank, DeKalb. Mr. Yaeger most recently served as executive

vice president and is a veteran of over 23 years in banking.

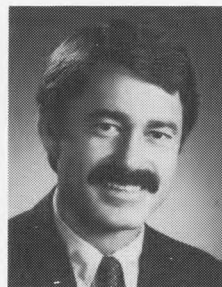
Mr. Yaeger joined the DeKalb Bank as executive vice president in July after a lengthy career with the Marine Bank of Springfield, where he was vice president in charge of commercial lending.

### Two Named in Lombard

Bank of Yorktown, Lombard, recently named Gerald B. Klein as senior vice president and Kenneth J. Zilka as vice president of commercial lending.



G. KLEIN



K. ZILKA

Mr. Klein began his career with the bank in 1969 as assistant vice president, consumer lending.

Mr. Zilka was formerly assistant vice president, commercial lending, and has been with the bank for two years. He previously served as assistant vice president, commercial lending at La Grange Bank & Trust Company, La Grange, Illinois.

### Dawson Fund Established

A fund for the family of Kenneth Dawson, the Wheeling policeman who was fatally shot on November 5, has been established by Main Bank-Wheeling.

To get the effort started, Main Bank, a member of the Cole-Taylor Financial Group, Inc. has made a donation of \$1,000. William C. Olsen, president of Main Bank, said contributions can be sent to the Kenneth Dawson Fund Main Bank, account number 00226190-20, 350

E. Dundee Road, Wheeling, Ill. 60090.

### Sponsored by ICBI

Over 100 bankers attended the ICBI seminar entitled, "Issues and Answers" on November 12 in Oak Brook and November 20 in Springfield.

The seminar was designed specifically for community banks and discussed an array of timely subjects including mortgage extensions, agricultural loans and collateral, FDIC regulatory enforcement, and banker's rights.

Several expert instructors complimented the seminar including Paul E. Presney, ICBI legal counsel, Presney, Kelly and Appleton, Springfield; Joseph M. Ambrose, attorney, Gale Saint & Associates, Bloomington; Warren Bowlby, assistant regional director, FDIC, Chicago, and Benjamin Shaprio, partner, Sidley & Austin, Chicago.

### ICBI Officers Told

Independent Community Banks in Illinois has named Darrel W. Hilst as ICBI president at the association's annual business meeting held September 23, in St. Louis. Mr. Hilst currently serves as executive vice president and trust officer, State Bank of Havana.

Other officers elected include: First Vice President, Fred O. Paige, president, Farmers State Bank, Elmwood; Treasurer, Paul F. Crandall, executive vice president, Hanover State Bank, Hanover, and Regional Vice Presidents: John J. Crotty, Jr., senior vice president in the correspondent banking division at Drovers Bank of Chicago; C. Dean Easton, president, Pontiac National Bank, Pontiac; Wilfred J. Cross, president, First National Bank, Oblong, and Norris E. Blankenship, president, Ramsey National Bank, Ramsey.

### Celebrated in Northbrook

Cole-Taylor Financial Group, Northbrook, recently celebrated the first anniversary of its purchase of the Wheeling Trust & Savings Bank, 350 East Dundee Road. Though the actual anniversary date was in August, the celebration was delayed due to major renovation work being done in the bank.





First Colonial Bankshares Corporation, Chicago, recently announced it has agreed in principle to the purchase of all assets of The Colonial Group, Inc., including the All American Bank of Chicago and Northwest Commerce Bank of Rosemont.

Terms of the purchase were not disclosed. As of September 30, 1985, the two banks had combined assets of \$110 million.

According to holding company chairman and CEO C. Paul Johnson, First Colonial, which currently owns 32 percent of the common stock of The Colonial Group, Inc., would, upon consummation, have consolidated total assets of \$596 million based upon September 30, 1985 figures.

Mr. Johnson said All American and Northwest, which have been operating as affiliated members of First Colonial, would become the third and fourth wholly-owned bank subsidiaries of the holding company along with Colonial Bank and Trust Company of Chicago and Michigan Avenue National Bank of Chicago. "This transaction will streamline and simplify First Colonial's ownership and operating structure," Mr. Johnson said.

\* \* \*

Affiliated Banc Group, Chicago, whose multi-bank holding company is Franklin Capital Corporation, recently completed its acquisition of the \$21 million-asset First Security Bank of Addison, located at 350 W. North Avenue, Addison.

According to group chairman

Marvin Neland, the acquisition of First Security, which will be renamed Affiliated Bank/DuPage, increases the total assets of Affiliated Banc Group to more than \$690 million. "It also provides Affiliated with even greater access to the ever growing commercial market along the northwest corridor—the nucleus of a high concentration of small and medium sized businesses," Mr. Neland said. In addition to Affiliated Bank/DuPage, Affiliated Banc Group also includes North Shore National Bank of Chicago, Western National Bank of Cicero, the Franklin Park Bank, The Morton Grove Bank, The State Bank of Burlington, Ill., and the First National Bank of Coal City, Ill.

\* \* \*

Fred W. Heitmann Jr. has been named chairman, and Lee W. Jennings has been elected to the board of Northwest National Bank of Chicago.

Mr. Heitmann, who served as president of Northwest National from 1963 to April, 1985, began his career with the bank when it first opened in 1941. He is a past president of the Illinois Bankers Association and past chairman of the Illinois State Commission of Higher Education. Mr. Heitmann was instrumental in the formation of the Illinois State Board of Higher Education, on which he served as chairman, and led the effort that created the concept of guaranteed student loans in Illinois.

Mr. Jennings, a business consultant and former managing partner of Peat, Marwick, Mitchell & Co., served with the CPA firm since 1977. He left this position in August to form his own venture.

\* \* \*

Thomas D. Tietz, president, First United Bank of Sidney, Sidney, Montana, was the recent winner of a free convention registration (value: \$495) to the 70th Annual BMA Convention in Hawaii as well as up to \$1,000 in airfare. Mr. Tietz won after having his name drawn from a hatful of new bank marketing members who have joined since last year's convention.

Congratulations are in order, too, for the following members who distinguished themselves by generating over \$1,000 in new member dues, thus earning president's club status and a free convention registration: **John Ekdahl**, Old Kent Bank & Trust Company, Grand Rapids, Mich.; **Donna Gould**, Jefferson Federal, Meriden, Conn.; **Jay Keller**, Keller Marketing, Alliance, Oh.; **Andrea Knight**, Illinois National Bank, Springfield, Ill.; **Ira Nathanson**, Consolidated Group Marketing, Morton Grove, Ill.; **John Ruedi**, Champaign National Bank, Champaign, Ill., and **Jan Strode**, Great American First Savings Bank, San Diego, Calif.

\* \* \*

In celebration of its 80th year of service, Lake View Bank & Trust Company of Chicago, a Lane Bank, plans to raise funds for local not-for-profit organizations while educating residents on the history of the Lake View community.

*The Saga*, which is published and distributed by Lake View Bank, is a history of the Lake View community. All funds raised by the distribution of *The Saga* will go to five local not-for-profit organizations: The Chicago Area Council of the Boy Scouts of America—Lake View District; Five Hospital Homebound Elderly Program; The Girls Scouts of Chicago—Lake View District; Lake View Citizens' Council; and Ravenswood-Lake View Historical Society.

Commenting on the project, bank president and CEO **Richard G. Walker** said this is the bank's way of showing its appreciation to the community.

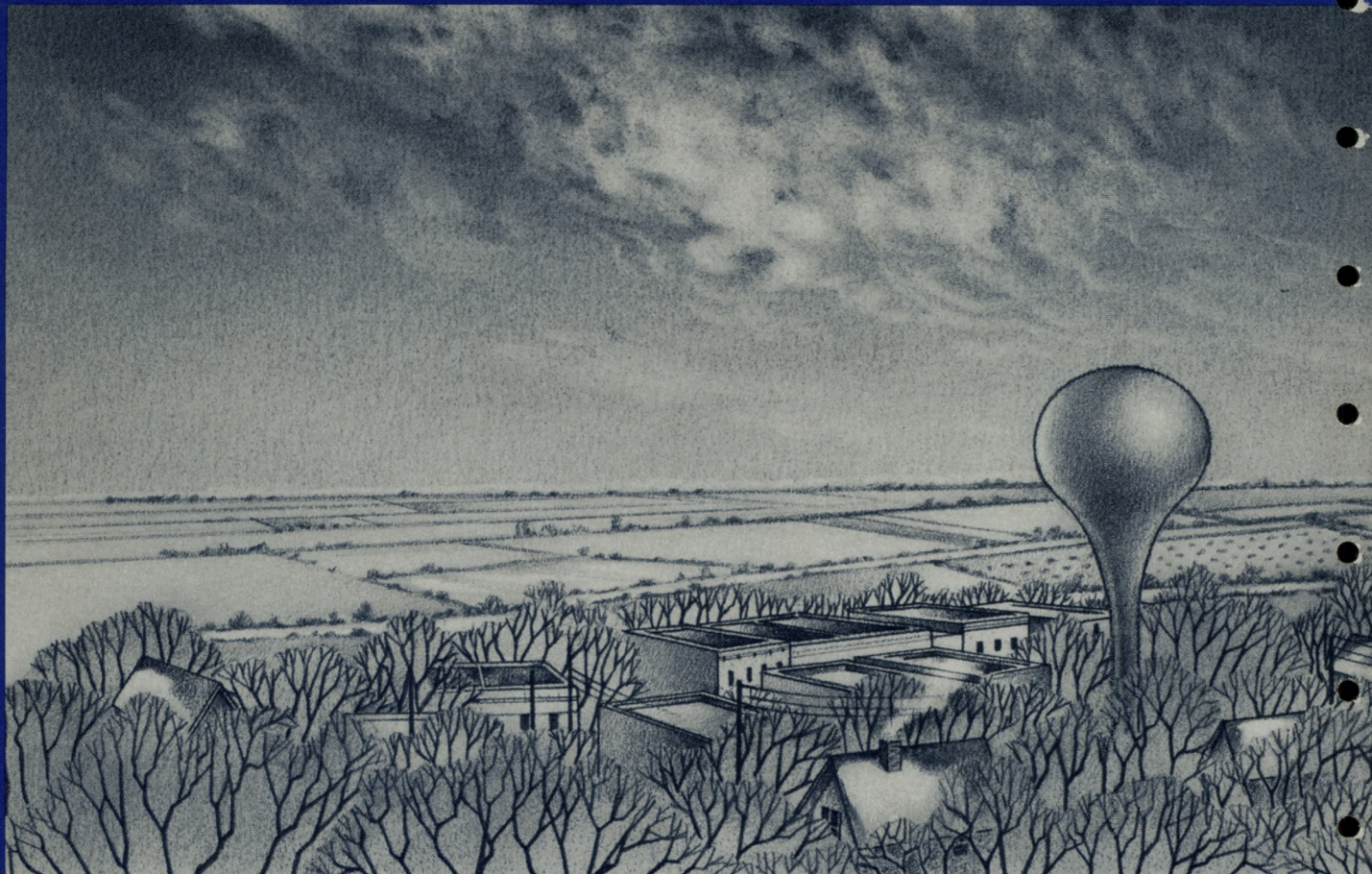
\* \* \*

North Shore National Bank of Chicago, a member of the Affiliated Banc Group, is one of the first banks in Chicago to "humanize" electronic banking through its talking automatic teller machine (ATM).

The talking ATM is located at North Shore National's drive-up facility, 1737 W. Howard Street in Chicago.

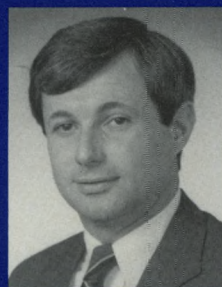
The ATM features a human male voice that gives instructions and seasonal messages to bank customers during ATM transactions. The voice messages are also supported by graphic and written communication that appears on the ATM screen.





## **IOWA CORRESPONDENT SERVICES**

*We wish you  
a happy Holiday Season  
and a bright prosperous  
New Year in 1986*



Michael Austin  
Vice President and Manager  
Iowa Correspondent Services  
(515) 245-7251

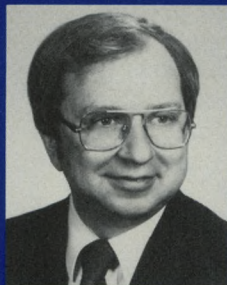


William Mullins  
Vice President  
Iowa Correspondent Services  
(515) 245-7157





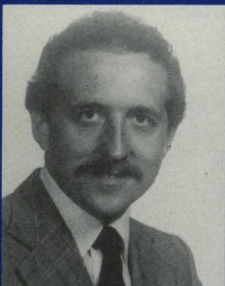
*Kenneth Danilson  
Vice President  
Iowa Correspondent Services  
(515) 245-7348*



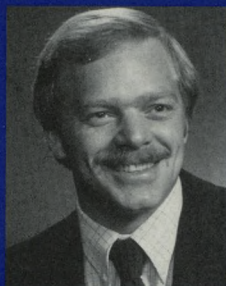
*William Duma  
Vice President  
Iowa Correspondent Services  
(515) 245-7253*



*Diane Grotenhuis  
Administrative Assistant  
Iowa Correspondent Services  
(515) 245-7353*



*Kenneth Malecha  
Correspondent Banking Officer  
(515) 245-7262*



*Eric Paul  
Investments  
(515) 245-7029*

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**First  
Interstate**  
Bank

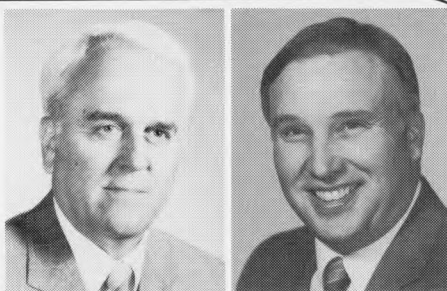
*Locust at Sixth Avenue  
Des Moines, Iowa 50309*

*Member FDIC*



## South Dakota

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



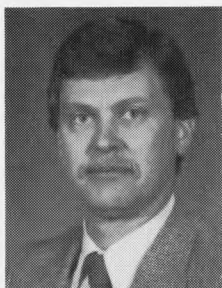
### E.V.P. Appointed in Leola

Leola State Bank of Leola announced the appointment of Ralph Ramsey to the position of executive vice president and director.

Mr. Ramsey began his banking career with Dakota State Bank, Milbank, in 1970. He served as president of Big Stone State Bank, Big Stone City, for five years and most recently was a vice president at Dakota State Bank of Milbank.

### V.P. Appointed in Milbank

Dakota State Bank of Milbank announced the appointment of Thomas N. Gronseth as vice president. Mr. Gronseth will be responsible for credit analysis, commercial loans, personnel and purchasing. He joins Dakota State Bank after five years with Norwest Bank South Dakota, N.A. as agricultural lending officer.



T. GRONSETH

### Norwest Bk. Changes Told

Norwest Bank South Dakota, N.A., announced the transfer of Curtis W. Zaske from Brookings to the Sioux Falls Stockyards branch as assistant vice president, agricultural banking; the promotion of Dee Black to ag banking officer in Sturgis, and the promotion of Keven S. Hayhurst to finance officer.

Mr. Zaske joined Norwest Bank in Brookings in 1977. He was promoted to assistant vice president and assistant manager in 1982.

Mr. Black joined Norwest in 1984 as an ag banking representative in Rapid City and then transferred to Sturgis later that year. Prior to joining Norwest, he was a research assistant in Bozeman, Montana at

Montana State University.

Mr. Hayhurst joined Norwest in Aberdeen in 1981 and transferred to Sioux Falls as funds management officer in 1984.

### First Bk. Elects Two

First Bank of South Dakota, N.A. has elected Patricia A. Nadolski, retail banking officer, First Bank Vermillion, and Cynthia C. Nassen, personal trust officer in the regional trust division, Sioux Falls.

Ms. Nadolski joined First Bank Vermillion in March of this year as a retail banking representative. She previously was employed by the Steele State Bank in Cherokee, Iowa for the past eight years, serving most recently as vice president.

Ms. Nassen joined First Bank System on a full-time basis in 1979 at First Bank Fairmont, Minnesota,

after working the previous two summers as a teller at First Bank Lidgerwood. In 1979, she transferred to First Bank of South Dakota as a teller at the main office in Sioux Falls. In 1980, she joined the trust services division, being named administrative assistant in 1981. She was named an administrator in 1984.

### 75th Anniversary Celebrated

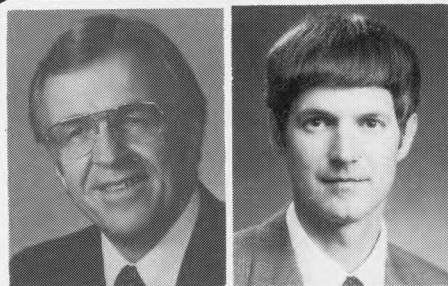
On October 26, 1985, the Farmers & Merchants State Bank of Plankinton and White Lake hosted a barbecue for the customers of the two banks and approximately 950 people attended.

The dinner was prepared and served by the members of the staff and their spouses and children to this large crowd and was very well received by the public.

The bank was organized in 1914 by a group of interested Plankinton citizens and many of those children and grandchildren of the originators are still in the Plankinton community. In 1914 the bank was purchased by Henry Gerhard and Fred Gerhard and in 1956 Ruth Ann Gerhard Page and her husband, Hershell Page, came to Plankinton to work in the bank. Mr. Page assumed the presidency of the bank in 1960 and has been the president ever since.

## North Dakota

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



### Two Named in Grand Forks

The board of First National Corporation and First National Bank in Grand Forks recently announced the appointment of Randy Newman as senior vice president and the election of Dr. John Lambie to the board.

Mr. Newman joined the staff at First National Bank in 1981 working in the investment area. He was promoted to the position of vice president in 1983 with expanded responsibility for asset and liability management. Mr. Newman will continue his duties in the investment area of the bank with expanded re-

sponsibilities in the areas of corporate financial analysis and strategic planning.

Dr. Lambie brings considerable administrative expertise to the board having served as chief of staff of both the United Hospital and St. Michaels Hospital.

### Officer Named in Bismarck

David M. Carlson has been named agricultural loan officer of Norwest Bank Bismarck. Mr. Carlson joined the bank in 1984 and is a graduate of North Dakota State University with a BS in agricultural economics.



## Wyoming

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



### Purchase in Green River

● First Wyoming Bank, N.A.-Green River and First National Bank of Green River have reached an agreement whereby First Wyoming will purchase and assume the banking operations of First National Bank. The announcement was made today by David R. Johnson, chairman, president and CEO of First Wyoming Bancorporation, the parent company of First Wyoming Bank; and Roy G. Dinsdale, chairman of the First National Bank.

● The consummation of the sale is, among other matters, subject to formal approval of the appropriate regulatory authorities.

● Upon completion of the sale, the employees of both banks will work together within the First Wyoming system. "We feel that the employees of both banks are important to the success of the ongoing operations of First Wyoming Bank," stated Alan W. Graban, chairman of First Wyoming Bank, N.A.-Green River.

### Changes Told in Chugwater

● First National Bank of Chugwater has entered into an agreement whereby it will sell its assets and banking operations to First Wyoming Bank-Wheatland. The announcement was made by Roy G. Dinsdale, chairman, and major owner of the parent company of the First National Bank of Chugwater; and J. Kenneth Kennedy, chairman of First Wyoming Bank-Wheatland.

● The consummation of the sale is, among other matters, subject to formal approval of the appropriate regulatory authorities.

● Mr. Dinsdale also announced the appointment of Donna M. Short as president and CEO of First National Bank of Chugwater. Mrs. Short obtained a BS degree in general business management from the Univer-

sity of Wyoming. Prior to joining the Chugwater Bank, Mrs. Short was assistant vice president of commercial loans at First Wyoming Bank-Wheatland.

### FDIC Pays Off Lender Depositors

The FDIC recently announced it is preparing to pay off insured depositors in the Yellowstone State Bank-Lander.

The bank was closed on November 1, 1985, by Stanley R. Hunt, Wyoming State Examiner, and the FDIC was named receiver.

Mr. Hunt said, "The bank's equity capital was dissipated by severe loan losses caused by depressed conditions in the community. Insider transactions and poor lending practices resulted in its insolvency."

Deposits in Yellowstone State Bank-Lander amounted to about \$19.2 million in 3,200 accounts. The FDIC estimates that all but about \$335,000 of the deposits, in 13 accounts, are within the federal insurance limit of \$100,000, or are otherwise secured. Owners of such uninsured deposits will share proportionately with the FDIC in the proceeds realized from liquidation of the bank's assets.

The FDIC board determined that a payoff of insured depositors was required because no acceptable bids were received for the failed bank.

The board also voted to make a prompt advance payment to uninsured depositors, based on the estimated present value of assets to be liquidated, equal to 45% of the uninsured claims.

If actual collections on the assets, on a present value basis, exceed this estimate, uninsured depositors ultimately will receive additional payments on their claims. The estimate for the advance is believed to be conservative, and it is hoped that actual collections will be higher. If,

however, the present value of actual collections should be less than 45%, the FDIC insurance fund will absorb the shortfall.

### V.P. Named in Cheyenne

Ron D. Bunnell has been named vice president of human resources at First Wyoming Bancorporation, Cheyenne.

Mr. Bunnell's most recent position was employee relations and safety manager at Wycon Chemical Company. Previous to that position he served as employee relations manager at Black Thunder Mine, Wright, Wyoming.

### Two Promotions Told

First Interstate Bank has recently announced the promotion of Larry Cooper, former assistant vice president in the personal banking department, to the position of assistant vice president in the commercial loan department of the Sheridan office. Mr. Cooper has been employed at the bank for seven years. Prior to working in the personal banking department, he worked in bank operations.

First Interstate also announced the promotion of Connie Pabst to the position of cashier of the Gillette office. Ms. Pabst was previously a loan processor.

### Conversion in Cheyenne

The Comptroller of the Currency announced the conversion of Wyoming State Bank to Norwest Bank East Cheyenne, N.A. The bank is located at 3600 East Pershing Boulevard in Cheyenne.

### Name Change in Jackson

American State Bank announced as of Nov. 1 it is to be known as the Bank of Jackson Hole.

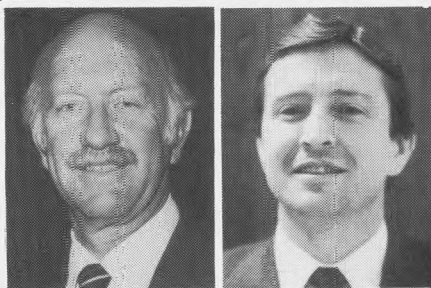
The new name "relates more directly to the unique area we serve and further emphasizes the commitment the bank and stockholders have to this community and entire valley," Melvin D. Hutchings, president of the bank, said in making the announcement.

The bank, which was opened in Jackson in 1983, was recently purchased by a local investment group headed by Jackson Hole artist Conrad Schwiering. It is located at 990 West Broadway.



## Colorado

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



### Assumed in Aurora

The FDIC recently announced the deposit liabilities of The Aurora Bank, Aurora, have been assumed by OMNIBANK Iliff, N.A., Aurora.

The failed bank's only office was to reopen November 4, 1985, as OMNIBANK Iliff, N.A., and its depositors automatically were to become depositors of the assuming bank, subject to approval by the appropriate court.

The Aurora Bank was closed on November 1, 1985, by Richard Doby, Colorado State Bank Commissioner, and the FDIC was named receiver.

OMNIBANK Iliff, N.A. was to assume about \$14.7 million in 3,100 deposit accounts, including \$1.0 million in 19 accounts in excess of the federal insurance limit of \$100,000. The assuming bank has agreed to pay the failed bank's loans and other assets for \$9.5 million. To facilitate the transaction, the FDIC will advance \$5.0 million to the assuming bank and will retain assets of the failed bank with a book value of about \$7.6 million.

### Changes Told in Longmont

Colorado National Bank-Longmont has elected Larry H. Stevens as president.

Mr. Stevens joins the bank from Colorado National Bank-Boulder where he served as senior vice president-loan administration. Mr. Stevens has previously been asso-



L. STEVENS

J. MEYER

ciated with Peoples Bank and Trust of Alpena, Michigan and Continental Illinois Bank of Chicago.

The board also announced John Meyer, who is retiring as president, has been elected chairman.

Mr. Meyer began his career with The Longmont National Bank in 1954, and was elected president in 1957.

### Changes Told in Denver

Bruce M. Rockwell announced his retirement as chairman of Colorado National Bankshares, Inc. and the Colorado National Bank of Denver. He will become executive director of the newly formed Colorado Community Foundation.

Mr. Rockwell joined the Colorado National Bank in 1953. He worked in various departments of the bank and was elected president in 1970. In 1976, he became chairman of both

Colorado National Bankshares, Inc. and the Colorado National Bank of Denver.

Will F. Nicholson, Jr., president of Colorado National Bankshares, Inc. was elected to the additional office of CEO of the company by the board.



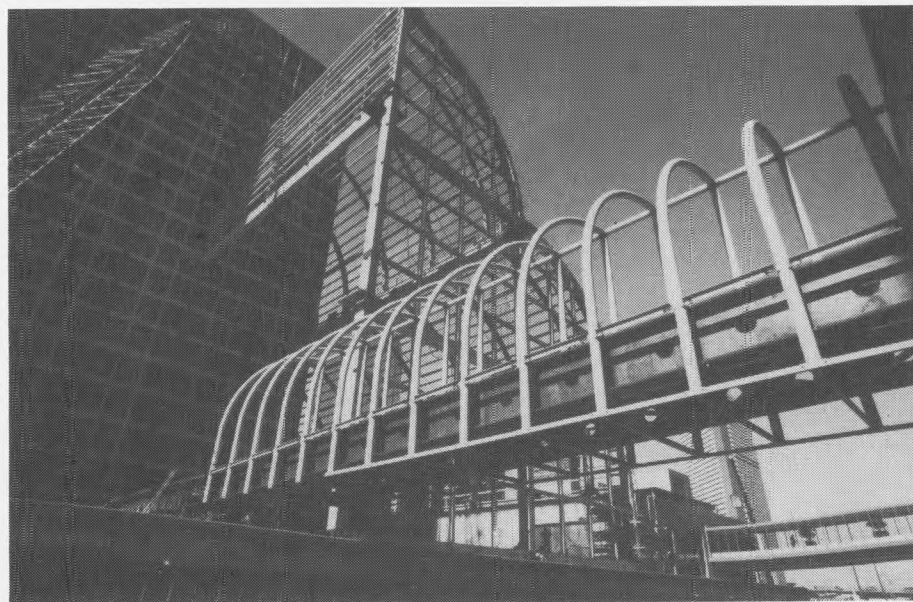
B. ROCKWELL

W. NICHOLSON

Subsequent to his election, Mr. Nicholson announced the election of Nicholas R. Petry, chairman of Petry-Vappi Construction Company, as chairman of the board of the bank. William W. Grant, president, and Garnier K. Puryear, executive vice president, are the principal executive officers of Colorado National Bank of Denver.

Mr. Nicholson, with extensive experience in real estate and construction, was first associated with the management of Colorado National Bankshares in 1970, became its president in 1975, and was elected to the additional position of chief ex-

## Addition to United Bank



**T**HE steel framework for the soon-to-be enclosed bridge over Lincoln Street is the newest addition to the United Bank Center atrium in Denver. This 66-ton structure, measuring 10 feet in height, connects One and Two United Bank Centers. It took approximately one week to construct and is 16 feet above the street. Escalators will be installed connecting this "skyway" to the Lincoln Street level of the atrium and Three United Bank Center. The 40,000 sq.-ft. United Bank Center atrium is scheduled to be completed in the fall of 1986.



Executive officer in June of 1985.

Barry Willett has also joined the staff of Colorado National Bankshares, in the position of vice president, serving as loan review manager for the Colorado National Bank of Denver. In this position, he is responsible for the ongoing internal loan review function of the bank.

Mr. Willett has 19 years of banking experience. He most recently was with Colorado National Bank-Lakewood, where he held the position of vice president-senior lender.

## Seven Named in Denver

United Bank of Denver recently named Dean K. Lehman, vice president; Conrad J. Freeman, Michele M. Look and Marlene McDaniel, assistant vice presidents; Susanne S. Shailer, Stanley C. Stephan and Richard A. Wahlborg, operations, personal trust and investment, and commercial banking officer, respectively.

Mr. Lehman, a product development manager in marketing, joined the bank in 1980.

## Two Named in Golden

Colorado National Leasing, Inc.,

Colorado, has named Ronald L. Zimmerman senior vice president and COO, and Judith M. McKee, accounting officer.

Mr. Zimmerman joined the company in 1982 as vice president of marketing. He was previously associated with Wells Fargo Leasing and Seafirst Leasing.

Ms. McKee joined Colorado National Leasing in 1983 as accounting manager.

## Three Promoted in Boulder

Colorado National Bank-Boulder has promoted Anette Taylor to assistant vice president-marketing and account services manager; Vicki J. Kalicki, loan operations officer, and Steve C. Sherman, assistant vice president-consumer loan administrator.

Ms. Taylor joined the bank in 1973 as teller with subsequent promotions to teller supervisor and operations officer.

Ms. Kalicki started her banking career in 1975 when she joined the bank as commercial loan secretary. During her tenure with the bank, she has held positions of executive secretary and loan operations officer.

Mr. Sherman has nine years banking experience having previously been associated with the Bank of Boulder. Joining the bank in 1978, he has held positions of bookkeeper, assistant bookkeeping supervisor, and installment loan officer.

## CBA/ABA Sponsor Teleconference

The Colorado Bankers Association and the American Bankers Association recently addressed the timely loan issue through a nationwide video teleconference held at the Clarion Hotel Denver Airport.

Some of the very best in this field were present to share their many years of experience in addressing this challenge through the nationwide, live-satellite broadcast.

Moderating the national panel was Robert P. Chamness, partner, McKenna, Conner and Cuneo, San Francisco, California. The panelists included: Daniel W. Persinger, vice president, head of special asset administration, Continental Bank, Chicago, and former deputy general counsel, FDIC; J. Michael Woody, executive vice president, First Na-

COLORADO NEWS...  
(Turn to page 36, please)

## EFT MARKETERS... (Continued from page 15)

importance of price to customer acceptance.

Many consumers have a psychological difficulty with the idea of purchasing things like groceries on credit. For this kind of purchase, they seem to prefer direct debit cards which they view as the electronic equivalent of checks. And, any retailer can tell you how cost-conscious customers are. They price shop and a penny's difference can make them pick one product over another. So, if electronic POS transactions cost more than paper checks, customers will keep writing checks.

So how will banks and retailers move from today's limited POS experiments to tomorrow's national networks?

The move will begin with increased communications among regional networks. In many states, like Florida and Iowa, the switch technology base is being built very rapidly. But, there are still link-up and reliability concerns, which are especially important to retailers. For instance, a retailer isn't going to be very comfortable with a system which requires a transaction to be passed over 14 computer systems. Not only could that drive transaction time up to a minute, it could raise serious reliability problems without a backup system.

We are close, but we still have a ways to go. A fully-implemented EFT/POS system could save banks \$6 billion a year by eliminating paper-based systems. But

some banks don't even explicitly price check services yet. The trend to increasing emphasis on fee income at financial institutions may influence POS developments as much as anything else. □

## THE BANK EXAMINATION... (Continued from page 18)

chronological order, and should be included in the loan file. In general, comments should reflect the ongoing condition of the line. Examples include: At the start of a crop cycle - how many acres of corn; irrigated or dry land; is the land leased or owned; if leased, cost of the lease; projected yields. Mid-way through the crop cycle - is there hail damage; what are re-projected yields. If funds were advanced for purchase of feeder livestock - what are the weights; what are the projected dates of sale; estimates of finishing costs; estimated margins. If there are deviations from projected budgets, what are borrower's/lender's plans.

Documentation relative to collateral is extremely important. In general we would like to see more frequent and timely livestock inspections, and more frequent and realistic pricing of collateral - particularly machinery and land. More use and file notations of recent comparable sales would be extremely helpful. I want to emphasize that examiner judgment, coupled with line structure and documentation, are all important. If the lender is not completely familiar with a line, it is extremely difficult for the examiner to arrive at an accurate classification. □



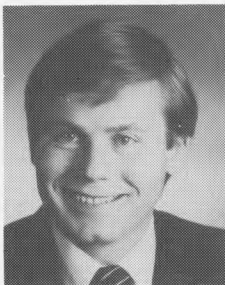
## Montana

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



### V.P. Elected in Great Falls

Robert A. Butcher has been elected vice president and manager of the agri-business department at First Bank Great Falls. Mr. Butcher joined First Bank as a management trainee in 1976, was elected an agricultural loan officer in 1977, assistant vice



R. BUTCHER

president in 1979, and department manager in 1984.

### Promoted in Billings

First Interstate Bank of Billings, N.A., recently promoted David J. Ferries to real estate loan officer. Mr. Ferries joined the bank in 1985 as a construction loan representative, prior to which he had been an assistant vice president, mortgage lending, at First Security Corporation in Salt Lake City, Utah and also at First Federal Savings & Loan in Sheridan, Wyoming.

business in his keynote speech, "International Economy and American Business."

The Feldstein seminar is part of the Central Banks' ongoing Executive Strategies Series. Through the series, the Central Banks' bring nationally recognized speakers to Colorado to discuss timely economic, business and social issues.

### V.P. Added in Denver

Rick Bramer has recently joined Colorado National Bank-Tech Center as vice president-lending.

Mr. Bramer has 15 years banking experience, having previously been associated with Pueblo Bank & Trust and United Bank of Grand Junction.

### COLORADO NEWS...

(Continued from page 35)

tional Bank of Oklahoma City; J.W. Young, vice president, credit policy, Mellon Bank, Pittsburgh, and Dennis McCuiston, McCuiston and Associates, Irving, Texas.

Local panelists were J. Barclay Blue, president, First Colorado Bank & Trust, Denver; Roger Parker, vice president, United Bank of Denver, and Charles Malone, Malone and Brown, P.C.

### Seminar by Central Bk.

Dr. Martin Feldstein, former chairman of President Reagan's council of economic advisers and Harvard University economics professor, addressed more than 1,000 Denver business and civic leaders recently at the Central Bank's Fall Executive Strategies Seminar.

As today's leading American economist, Dr. Feldstein focused on what's next for the economy, interest rates, the deficit and American



M. FELDSTEIN

### WISCONSIN NEWS...

(Continued from page 27)

### Pond Project Sponsored

F&M Bank Menomonee Falls was among the community sponsors of the Mill Pond Project to renovate the pond area in Menomonee Falls. The project was formally begun with a ground-breaking ceremony on October 18. Richard P. Klug, president and CEO of the bank, praised the involved government and civic bodies for their cooperation and de-

termination in undertaking the project.

### Brookfield Bank to Open

The Comptroller of the Currency has approved the opening of Tri City National Bank of Brookfield. The proposed location of the bank is 17100 W. Bluemound Road in Brookfield.

### Elected to Board

First Wisconsin National Bank, Eau Claire, recently elected Larry G. Schnack to its board of directors.

Mr. Schnack, newly inaugurated chancellor of the University of Wisconsin-Eau Claire, has a history of teaching and administrative experience. He was acting chancellor from June of 1984 to his inauguration as chancellor on Oct. 18, 1985.



L. SCHNACK

### Named Vice President at Rocky Mountain Bank Note

Eric Younge has been named vice president and general manager of the Forms Products Division of Rocky Mountain Bank Note. The announcement was made by John Holman, president and chief executive officer of the firm, headquartered in Denver.

Mr. Younge will have full P & L responsibility for the division, including sales, manufacturing and marketing functions. This RMBN division currently has sales of about \$12 million and services financial institutions with high-quality, quick turnaround, short-run MICR encoded forms. The appointment is part of the company's plan to become a major supplier of forms to financial institutions.

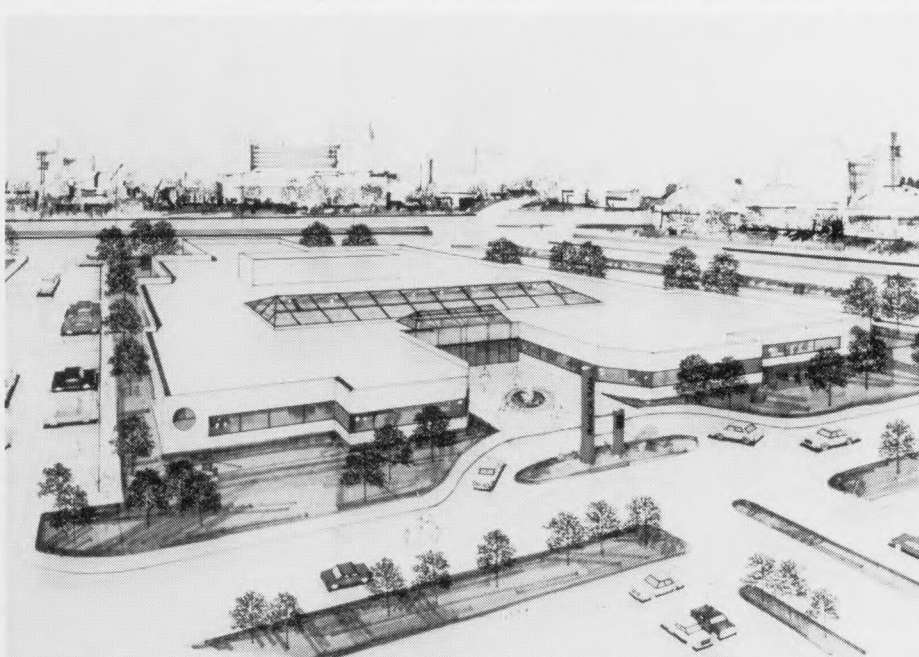
Mr. Younge has 15 years experience in marketing, manufacturing and operations.



E. YOUNGE



## Bank Building Unveils 'Financial Plaza'



A VARIETY of financial service companies would be grouped in a tight-knit mall atmosphere around the commercial bank, utilizing the Financial Plaza concept.

A MALL type of financial services, appropriately labeled as a Financial Plaza, has been designed by the Advanced Concepts Group of Bank Building Corporation, St. Louis. Announcement of the integrated Financial Plaza was announced at a press conference during the American Bankers Association's recent annual convention in New Orleans by Rex H. Dunlap, president of the Financial Facilities Group of BBC.

Mr. Dunlap said the new design will aid some banks to compete more effectively with other types of financial services marketers by adopting a one-stop setting that offers services of selected firms under the tacit sponsorship of the bank.

He said the research for the Advanced Concepts Group was conducted by Battelle Laboratories and Marketeam Associates.

Mr. Dunlap said the Financial Plaza operates within the confines of current banking law, yet offers all financial services. He said it will bring a broad range of independent financial service providers—such as investment, insurance, legal, tax, real estate and travel service firms—in an unparalleled facility, anchored by the bank itself.

With this new concept, Mr. Dunlap stated, "The bank can attract

new customers by offering its services in a one-stop, full-service environment." Stating that "Research suggests the 'stocks and socks' idea does not appeal to the affluent customer," Mr. Dunlap suggested that "people prefer to be more independent in their choice, but they also welcome the third-party endorsement by their bank as a trustworthy source."

Mr. Dunlap concluded by stating that the Advanced Concepts Group's Financial Plaza will allow the bank and affiliated financial tenants to benefit from common traffic flow. He said the bank, "instead of footing the bill as a single building owner and sponsoring the services, will charge enough rent presumably to compensate it enough for giving up the right to offer those services itself."

### Deluxe Sales, Net Are Up

Deluxe Check Printers, Incorporated, St. Paul, Minn., reports that sales for the first nine months of 1985 reached \$562,073,865, up 11.3% from \$504,984,525 a year ago. Net earnings for the period were \$75,608,033 or \$1.76 per share, up 18.8% from last year's \$63,620,773, or \$1.45 per share.

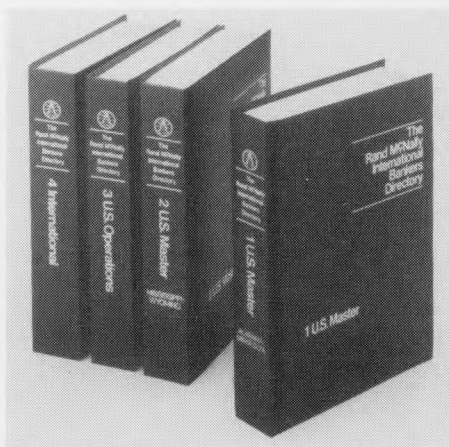
Sales for the third quarter were

\$193,180,578, up 10.5% from \$174,764,787 last year, while net earnings were \$27,451,504 or 64¢ per share, up 16.0% compared to \$23,656,296, or 55¢ per share a year ago.

The company has 42,932,924 shares outstanding with par value of \$1.00 per share.

### Direct Phone Number Eases Reg J Compliance

Communications between paying and collecting banks complying with Regulation J now can be simplified because of a special telephone number added to U.S. Operations listings in *The Rand McNally Bankers Directory*. The number will appear for the first time in the Final 1985 edition, published in December.



The Rand McNally Bankers Directory contains operations information on all U.S. banks - over 15,000 head offices and their branches - to make verification and notification fast and efficient.

Paying banks utilizing this line will be able to notify collecting institutions directly about dishonored items, and eliminate the expense of using Fed Wire. Rand McNally says this can save up to \$4.25 per item and can avoid potential liability for the returned check by making sure critical information is relayed to the collecting institution in a timely fashion.

The new phone number will appear in Volume 3 (Operations) of the four-part director. 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.





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of omaha

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



## Nebraska

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



### Bankers Favor New Bank Tax Proposal

**T**HE Nebraska Bankers Association recently announced its support of proposed legislation to change the way the state taxes banks and other financial institutions which has been developed by a special task force of the legislature's revenue committee.

The plan calls for banks to be taxed at the rate of 40 cents per \$1,000 of deposits, with a cap tied to the corporate income tax rate for the taxable year. The tax is a type of deposits franchise tax, similar to a plan in use in the state of Vermont.

"We feel this plan presents a fair and reasonable method of resolving certain legal problems surrounding the question of bank taxation. It also represents an improvement over the present system which has proved to be inconsistent across the board and unpredictable in its revenue yields," said NBA President Mel Adams of Ogallala.

Mr. Adams complimented the tax task force, chaired by Omaha Senator Vard Johnson, for its work on the plan. "We are convinced that this proposal represents a reasonable, well thought-out plan which will tax banks on their ability to pay," he said.

Mr. Adams said he hopes the issue will bring to rest past controversies over how banks are taxed. Because of a U.S. Supreme Court decision dealing with how states can tax income from government securities, Nebraska's previous franchise tax rule was ruled unconstitutional.

"The NBA took no position on the 1982 legislation which established the current method of bank taxation, but we are aware that it has not been satisfactory to either the state or to banks whose investment portfolios contain fewer tax-exempt securities," he said.

Mr. Adams commented that the calculations used to determine the income tax cap (48.8% of the maximum corporate income tax rate) take into account the fact that commercial banks are a market for local municipal bonds and also recognize that Nebraska banks would give up certain other tax advantages currently permitted by law.

The State Attorney General's office has been asked for an opinion on the constitutionality of the proposed tax legislation, which is expected to be presented to the Nebraska legislature when it convenes in regular session in January.

The NBA's decision to support the plan was based on a vote taken recently during an NBA Banking Leadership Conference to discuss the proposal. More than 100 bankers participated in the conference and the motion to support the plan carried unanimously.

The NBA also announced it will maintain its present position in opposition to interstate banking legislation for the coming year.

"Based on a vote taken on October 29 during a banking leadership conference, a majority of the 100-plus bankers present do not believe that the Association should change its position on interstate at this time," Mr. Adams said.

Bankers attending the conference heard presentations by spokesmen for and against interstate banking. Speaking for proponents was Aurora, Nebraska banker James A. McBride, who contended that technology and the marketplace have dictated the time has come to remove geographical barriers in banking. Kenneth A. Guenther, executive director of the Independent Bankers Association of America, spoke out against interstate bank-

ing, stating that Nebraska would not be the aggressor state, but would be aggressed upon by money-center financial organizations.

The consensus opinion among bankers voting to oppose interstate banking was that more time was needed for last year's changes to the law governing branch banking to be implemented and that there appeared to be relatively little demand for such a change in the state's bank structure.

### Four Banks Merge in York County

On October 15 the previously announced merger of The First National Bank of York, Farmers & Traders Bank of Waco, Blue River Bank of McCool Junction, and The First National Bank of Bradshaw became a reality, creating The First National Bank of York. The latter three banks became full service branches of First National, which becomes the 12th largest commercial bank in Nebraska with assets of approximately \$115 million.

The merged banks have a combined 390 years of service to York County, Nebraska. The combined capital of the banks, including reserves, is \$11,338,000, for a capital asset ratio of 9.78%.

Robert V. Jones will serve as chairman of the merged banks, with C.G. "Kelly" Holthus as president. They stated there will be no change in the personnel at the branches. Thomas G. Damkroger has been elected vice president and branch manager at Bradshaw, K.D. Patitiz has been elected vice president and branch manager at McCool Junction, and M.L. "Spike" Sjolander has been elected vice president and branch manager at Waco. The merged banks will employ approximately 80 persons.

All of the directors of The First National Bank of York will continue to serve in that capacity, and W.C. Johnson, senior partner in the law firm of Cline, Williams, Wright, Johnson & Oldfather of Lincoln.

### V.P. Named in Sidney

American National Bank of Sidney has named Dwight B. Stubbs as senior vice president. Most recently, Mr. Stubbs was senior vice president of First State Bank of Gothenburg.





**LEFT**—Participants in the "Regulator Update" workshop included, front: **Philip Schmidt**, Federal Reserve Bank; **James Barbee**, Director of Banking, and **Cary Hiner**, Asst. Regional Dir., FDIC, back, **Kevin Blakely**, Omaha fld. office dir., OCC; **Fred Otten**, moderator & pres., Commercial State Bank, Hoskins, and **Paul Wiechman**, asst. reg. dir., FDIC. **RIGHT**—**Governor Robert Kerrey**, was the guest speaker during the noon luncheon.



## NIBA Holds 4th Annual Convention

By **ROBERT O. CRONIN**  
Associate Publisher

**T**HE Nebraska Independent Bankers Association held its 4th annual convention last month in Lincoln. The convention featured top speakers and informational sessions designed to promote knowledge and an awareness among Nebraska bankers concerned with agricultural and economic conditions that face them daily.

The two-day convention featured an FHA workshop hosted by Kirk Jamison, state director, and Bob Jedlica, Chief Farmers Programs, FHA; a federal update from Congressman Doug Bereuter; an informative session hosted by John Guthery, president, Nebraska Bank Attorneys Assoc., and a key panel discussion entitled "Regulator Update."

Congressman Bereuter's comments during the morning breakfast session highlighted the recent bail out proposal of the Farm Credit System. Congressman Bereuter stated, "A hearing of some sort is coming shortly, but not before the end of the year—the governor was very slow in coming to the house."

Congressman Bereuter raised the question to the bankers in attendance, "Why should there be a bail out of a system that will lend to one farmer, and not give the same type of treatment to the commercial lender who does business with his next door neighbor?" Congressman Bereuter concluded, "We need a regulatory and structural overhaul, especially when it comes to bail out procedures."

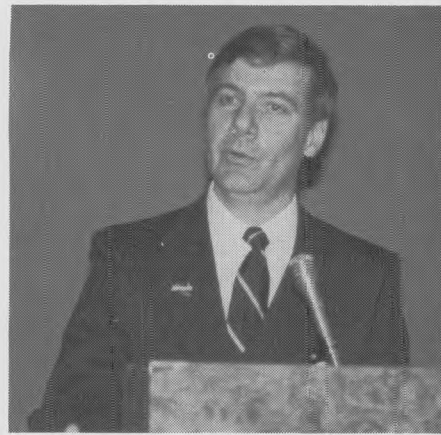
Mr. Guthery, a member of Perry, Perry, Witthoff, Guthery, P.C., Lincoln, spoke on legal issues that face

many bankers today. He stressed the importance of knowing what rights are available for the lender and lendee. Mr. Guthery's topic, "Recent Court Decisions: What They Mean To Your Bank," touched on many interesting legal case studies that have affected banks. Mr. Guthery went into some detail when explaining the importance of proper wording and legal signatures on documents.

During the noon luncheon, Governor Robert Kerrey spoke on many issues concerning the state of Nebraska. Although he agreed these are difficult times, Governor Kerrey said there are things the state can do to make itself stronger. Much of what Governor Kerrey said was based on his belief, "Schools are still a strong part of our community, and children need to be up on modern technology, math, physics, and



**ENJOYING** themselves during the NIBA Convention were, left: **Tom Olson**, V.P., IBAA, and pres., Lisco State Bank; **Mark Buckley**, NIBA Past-Pres. & Pres., First National Bank, Wilcox, and Congressman **Doug Bereuter**.



**Congressman Doug Bereuter** gave his views on the recent Farm Credit System problems and said "we can expect further deterioration before it gets any better."



other related courses."

Governor Kerrey told the luncheon gathering he wants to form a state agricultural bank under the Nebraska Agricultural Authority in 1986. He called it a "new government/corporate entity, that will be a vehicle to sell bonds, hold land and be involved in agricultural processing." He explained, "This will not be a traditional bank, but will be viewed as a source of equity."

The "Regulator Update" panel included: James Barbee, Nebraska director of banking; Kevin Blakely, director, Omaha field office, Comptroller of the Currency; Philip E. Schmidt, vice president, Federal Reserve Bank of Kansas City, and two FDIC assistant regional directors—Cary Hiner (for Nebraska) and Paul Wiechman (from office of deputy regional director), both from the Kansas City regional office.

Many issues were discussed during the question and answer session including the proposal from the FDIC of the new disclosure law that publishes a record of those banks that are having difficulties. This law goes into effect in January, 1986, and is opposed by many bankers who fear what many customers will read into these disclosure statements and panic. Mr. Blakely argued, "Many banks underestimate the loyalty of their customers and are more concerned with the doors staying open than a poor rating."

Paul Wiechman added, "The FDIC is here to insure the safety and soundness of the banking industry, including for the customer who deposits his money in that bank." He concluded that many bankers have taken the abbreviation for FDIC and are reading it as "Forever Demanding Increased Capital."

A banquet, featuring B.F. "Chip" Backlund, IBAA President, concluded this year's NIBA Convention.

Chairing this year's convention was Mark Buckley, past-president, NIBA, and president, First National, Wilcox. Passing on his duties, Mark welcomed new officers for the 1985-86 term during the annual membership meeting.

The new officers are: Pres.—Fred Otten, president, Commercial State, Hoskins; Pres.-Elect—Roy O. Yaley, president, Nebraska State, South Sioux City; 1st V.P.—James Bohart, vice president & cashier, Harvard

State; Secy.—F. Phillips Giltner, president, First National, Omaha; and, Treas.—Robert C. Fricke, president, Farmers and Merchants National, Ashland.

Kurt Yost continues as NIBA executive vice president at headquarters in Lincoln. □

## Adams Banks Plan Merger

The directors of the five Adams Banks—Bank of Brule, Brule; Chase County Bank & Trust Company, Imperial; First Security Bank, Sutherland; Security State Bank, Madrid, and Keith County Bank & Trust Company, Ogallala—have approved a plan to request the merger of their banks under the name "Adams Bank & Trust."

This is an opportunity which has just recently been made available by the State Legislature to Nebraska banks. Prior to the consolidation, the request must be reviewed by the Nebraska Dept. of Banking, the Federal Reserve Bank and the FDIC. Bank chairman Mel Adams said a response is not anticipated until after Dec. 31.

## Pres. Named at Norwest Norfolk

Dennis R. Morrison has been named president of Norwest Bank Nebraska's Norfolk facility. He replaces Thomas Finnigan who resigned to pursue other business interests. Mr. Morrison joined Norwest in 1979 as controller at Norwest Bank Des Moines. In



D. MORRISON

1982 he was named regional vice president/ controller for Region V, which includes Nebraska and western Iowa. In 1984, he was promoted to Region V vice president/banking and development. Prior to joining Norwest, Mr. Morrison was associated with Mercantile Bancorporation and Arthur Anderson Company, both in St. Louis, Missouri.

## Pres. Elected in Gering

Fred A. Lockwood has been elected president of Gering National Bank and Trust Company, Gering. Most recently, Mr. Lockwood was

managing partner of Fred A. Lockwood and Co., Certified Public Accountants.

## ABA Banctraining Offers Professional Video Package

A new video training series, titled "Professionalism In Banking," will soon be released by the American Bankers Association as a part of its 1986 BANCTRaining Video Systems offerings.

The "Professionalism In Banking" package contains six video classes on issues relevant to today's bank employee. The series includes:

- "Is My Money Safe With You?"
- "A True Professional: The Look"
- "A True Professional: The Attitude"
- "The Gentle Art of Saying 'No'"
- "Handling Conflict With Your Boss"
- "You Can Bank On It!"

The series sells for a special price of \$995 if purchased before January 15, 1986 (after that time the package will be sold for \$1,095). Non-ABA member prices are \$1,325 and \$1,460, respectively. If purchased individually, ABA BANCTRaining video classes are sold for \$395 to members and \$525 to non-members.

ABA BANCTRaining Video Systems video classes are produced by the American Bankers Association, Financial Shares Corporation of Chicago, and Creswell, Munsell, Fultz & Zirbell, Inc., Des Moines, IA, a Young and Rubicam Company.

For further information on "Professionalism in Banking," or any of the other BANCTRaining video classes, call toll free 1-800-247-0010. (In Iowa, call collect 1-515-246-3582.)

Video classes average 20 minutes in length and are available in VHS, Beta I, Beta II, or ¾-inch format.

## RMA Names New Director

D. John Stavropoulos, executive vice president, The First National Bank of Chicago, has been named to fill a one-year unexpired term on the national board of Robert Morris Associates, the national association of bank loan and credit officers.





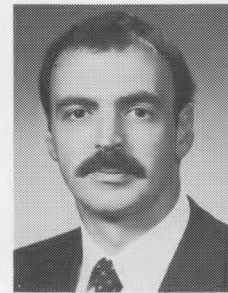
## Omaha

**Michael L. Dahir** has been named vice president and chief financial officer of FirsTier, Inc.

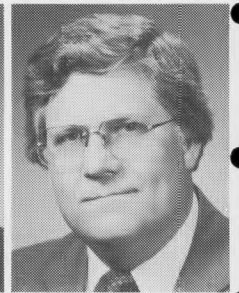
Mr. Dahir joined Omaha National in 1974 as a credit analyst. He later served as a commercial loan officer and was promoted to vice president in 1977. He was named head of the leasing department in 1980 and the investment department in 1982. He was promoted to senior vice presi-

dent in charge of the lending division in 1984. Most recently, Mr. Dahir headed Omaha National Bank's lending division. He is succeeded in this position by **Robert A. Suddick**.

Mr. Suddick came to Omaha National in 1968 as a management trainee and later served as a team leader in commercial banking. He was promoted to vice president in



**M. DAHIR**



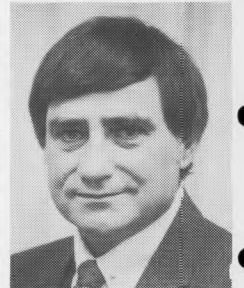
**R. SUDDICK**

1974 and was named manager of the corporate group within the commercial banking department in 1983. Mr. Suddick was named head of the resource management and credit review department in 1984.

\*\*\*

Douglas County Bank & Trust Company has announced the promo-

tion of **Robert Gross** to senior vice president of the loan division, **Peggy J. Blake** to vice president of personnel, **Elizabeth A. Csejthey** to assistant vice president/facility manager of the 72 & Maple facility, **Daniel Hamann** to commercial loan officer, and **Trish Kuper** to assistant operations officer.



**R. GROSS**

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**P. BLAKE**



**E. CSEJTHEY**



**D. HAMANN**



**T. KUPER**

Mr. Gross joined DCB&T in 1971 as a loan officer in the commercial loan department and was promoted to vice president in 1975 and supervisor of the loan department. In 1982, he was promoted to manager



of the loan division and a member of the management committee.

Mrs. Blake joined the bank in 1973 working in the bookkeeping department and was later promoted to an executive secretary. In 1978, she was transferred to the customer service department as an assistant cashier and in 1984, promoted to personnel officer.

Ms. Csejthey joined DCB&T in 1968 as a teller trainee. She was promoted to master teller in 1973 and in 1976 was promoted to assistant cashier of customer service. Ms. Csejthey has been in the installment loan division since 1978 when she was promoted to installment loan officer.

Mr. Hamann began at DCB&T in 1983 as a credit analyst in the commercial loan division. He was previously employed by Hawkeye Bancorporation as a bank management trainee in Boone, Iowa.

Ms. Kuper began at DCB&T in 1982 in the commercial loan division and was then transferred to the personnel department in 1984. She joined the bookkeeping department in 1985.

\* \* \*

FirsTier, Inc., a Nebraska-based financial services company, has formed a new subsidiary which will ultimately provide data processing services to all FirsTier subsidiaries, as well as sell data services to outside financial institutions and other companies in the region.



C. GOWIN

The new subsidiary will be called FirsTier Data Services, Inc. Other FirsTier affiliates include Omaha National Bank, First National Bank & Trust Co. of Lincoln and FirsTier Mortgage Co.

"Consolidating data processing for all FirsTier affiliates under one subsidiary will provide us with significant operating efficiencies," said John Woods, chairman and CEO. "We also plan to develop a line of software applications which we can successfully market not only to other financial organizations but to companies outside our industry as well."

Charles R. Gowin has been named president of the new subsidiary. He formerly was senior vice president and director of operations for Peoples Bank and Trust Company, a North Carolina-based bank with 60 branches.

\* \* \*

Felicia C. Gibson, an assistant officer at Omaha National Bank, has been elected Nebraska president of the National Association of Bank Women, Inc.



F. GIBSON

As state president, Ms. Gibson will coordinate the activities of nine local NABW groups in Nebraska. She previously has served as president of the Omaha Mid Plains Chapter, as state conference chairman and as state public affairs chairman.

### Conferences Postponed

The NBA Head Teller/Teller Staff Conferences originally scheduled for October 22-24 have been postponed until April, 1986, due to the NBA's heavy conference schedule in October.

### VP Named in Pender

Michael C. Minert has been named vice president of Pender State Bank, Pender. He previously served as vice president and office manager of the Renwick office of the Hawkeye Bank and Trust, Humboldt, Iowa.

### Three Named in North Platte

The McDonald State Bank, North Platte, has announced the addition of Paul Bachman to its staff as vice president, serving in the commercial lending area with special emphasis on agricultural lines of credit.

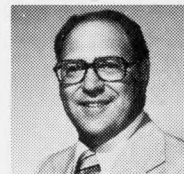
Mr. Bachman had been president and CEO of the North Platte Production Credit Association.

McDonald State Bank also announced the promotions of Ken Haggard as executive vice president, and Don Weber as senior vice president and cashier.

Mr. Haggard joined the bank in 1981 as a vice president serving as a commercial lending officer and more recently, loan manager. His new duties will include more involvement in overall management of the bank.

Mr. Weber joined the bank in 1959 and has served in numerous capacities since that time. Presently he serves the bank as a commercial lending officer, heading the installment loan department, and serving as marketing officer, security officer, as well as his duties as cashier.

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## Lincoln

**Denise Otto** recently joined the City Bank staff. Mrs. Otto was appointed assistant vice president and will assist City Bank customers with installment and commercial loans.

She had over 11 years experience with installment loans with Have-lock Bank, before joining a private leasing company, and later, the FDIC.

### Edwin C. Driscoll

Edwin C. Driscoll, 70, cashier for 36 years at Security State Bank in Sumner, Nebr., died at his home in Sumner on October 4. He was also a director of the bank.

Mr. Driscoll was a native of Blair, Nebr., and served in the United

States Infantry during World War II. He moved from El Paso, Tex., to Sumner in 1949 and had been active in banking, insurance and real estate there for the past 36 years.

He is survived by his wife, Harriet, who is a vice president and director of Security State Bank. Other survivors include three sons, three grandsons, one sister and four brothers.

### Changes Made in Fremont

H.W. Hendriksen has been elected president of First National Bank and Trust Company of Fremont. He has been associated with the bank for over 40 years in various capacities and most recently has served as the bank's senior trust of-

ficer. Mr. Hendriksen replaces Richard Fritz, who announced his resignation earlier this week.

The bank board also appointed interim officers James F. Nissen, chairman and CEO, Dana Hendriksen, vice chairman and Art Burtscher, vice chairman. Mr. Nissen is currently president of three banks in Lincoln which are under common ownership with First National, and president of a bank management firm.

### Sponsored by the NBA

The Nebraska Bankers Association's bank management committee will sponsor the 1986 Bank Executive Conference on February 19-23. The conference, formerly known as The Bank Presidents Conference, will be held at the Loews Paradise Valley Resort in Scottsdale, Arizona.

### Correspondents Use Micro To Access MHT Services

Manufacturers Hanover Trust Company, New York, introduced Value<sup>x</sup>, the first comprehensive personal computer-based correspondent banking system for community banks, thrifts, and credit unions, at the American Bankers Association convention in New Orleans.

Value<sup>x</sup> gives local financial institutions single-source electronic access to a broad range of MHT and other investment alternatives — as well as automated operating and investment services at a discount. It also has a unique electronic messaging capability that enhances the level of service which smaller banks generally receive from their larger correspondents. Previously, community banks communicated with their New York and regional correspondents primarily over the telephone.

"Value<sup>x</sup> is Manufacturers Hanover's invitation to community bankers to enter the future of correspondent banking," said Merrill O. Burns, executive vice president and head of MHT's worldwide correspondent banking business.

Value<sup>x</sup> is an Interplex product, developed by MH Financial Management Systems, Inc., a wholly-owned subsidiary of Manufacturers Hanover Corporation.

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J. Bruce Meriwether, pres., Dubuque  
N. Milner, exec. v.p., Des Moines



### Pres. Named in Sidney

United National Bank of Iowa, Sidney, has announced the appointment of Martin L. McCartney as president of the bank. Mike L. Keim, who formerly served as chairman and president, will continue as chairman.

Mr. McCartney joined the bank in 1982 as an agricultural loan officer. He was elected to the bank's board and promoted to vice president in 1984. He is also a member of the board of the Union National Bank in Massena, Iowa.

In addition to his lending duties, Mr. McCartney has been actively involved in establishing the bank's new office in Sidney, Iowa. The bank opened the Sidney office in temporary quarters in June of 1984, and Mr. McCartney said they will be moving into their newly constructed facility around the first of the year.

### Pres. Added in Wilton

Jerry Johnson has recently joined Wilton Savings Bank as president.

Mr. Johnson, who replaces Rod Burnett, was most recently executive vice president of the Tama State Bank. He is a graduate of Ellsworth Community College in Iowa Falls, and has been in banking business in Tama since 1969.



J. JOHNSON

### Changes Told in Rockwell

The Community State Bank in Rockwell was acquired on October 1 by W.A. Krause of Hampton; Richard W. Galloway of Rockwell, and Susan A. Gallagher of Hampton. Mr. Galloway assumed the presidency replacing Mary M. Gallagher who

will retire from the bank after 28 years of service on January 1, 1986. Mr. Krause was named chairman and Ms. Gallagher was named vice president/cashier of the bank. Russell G. Olson of Allison, and Charles W. McManigal of Mason City were named to the board, along with Mr. Krause, Mr. Galloway, and Ms. Gallagher.

### Acquired in Waterloo

A.W. Breitbach, president of Gilbertville Savings Bank and R. Scott Fetner, president of The National Bank of Waterloo, announced an acquisition agreement between the two banks.

According to Mr. Breitbach, Gilbertville Savings Bank will become a full-service office of NBW and will continue to be under his management. Loan availability will be enhanced since NBW has a much greater legal lending limit. Also, services to Gilbertville's customers will be expanded to include trust services and access to automated teller banking.

Mr. Fetner stated that Gilbertville Savings Bank's customers will experience very few changes in their present services since the bank utilizes a number of systems of NBW including data processing and loan processing. Management of both banks have worked very closely through the years and many customers have accounts in both banks. No change in bank personnel is anticipated at this time.

The acquisition agreement, which has been approved by the boards of both banks, is subject to the approval of regulatory authorities and the stockholders of Gilbertville Savings Bank. Details of the agreement will be disclosed in a stock registration statement scheduled for completion during the first quarter of 1986.

Both Gilbertville Savings Bank and The National Bank of Waterloo have solid records of consistent pro-

fitability for the past 30 years. The National Bank of Waterloo, along with Midway Bank & Trust, are wholly-owned subsidiaries of Iowa National Bankshares Corporation. INBC has capital in excess of \$28,000,000, and Gilbertville Savings Bank has capital in excess of \$2,000,000.

### Assumption in Auburn

The FDIC recently approved the assumption of the deposit liabilities of Auburn Savings Bank, Auburn, by Carroll County State Bank, Carroll.

The failed bank's only office was to reopen on November 12, 1985, as a branch of Carroll County State Bank and its depositors automatically will become depositor of the assuming bank, subject to approval by the appropriate court.

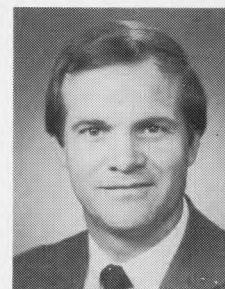
Auburn Savings Bank was closed on November 8, 1985, by Thomas H. Huston, Iowa superintendent of banking, and the FDIC was named receiver.

Carroll County State Bank will assume about \$6.8 million in 1,900 deposit accounts, and has agreed to pay the FDIC a purchase premium of \$167,000. It also will purchase certain of the failed bank's loans and other assets for \$4.8 million. To facilitate the transaction, the FDIC will advance \$1.8 million to the assuming bank and will retain assets of the failed bank with a book value of about \$2.2 million. Total assets of the failed bank amounted to \$7.0 million.

### Appointed in Dubuque

David R. Dudley has recently been appointed second vice president of American Trust and Savings Bank, Dubuque.

Mr. Dudley will be responsible for the bank's agricultural loan portfolio through both direct loans and participation loans with American Trust's correspondent bank customers. Prior to joining American Trust, he served as president of the Federal Land Bank Association of Manchester, Iowa.



D. DUDLEY



## IBA Addition Told

The Iowa Bankers Association, Des Moines, has recently added Dick Holthaus to the staff as the IBA's new marketing director.

Mr. Holthaus is responsible for managing and directing the marketing functions of product research, development, pricing, promotion, advertising, placement and public relations for both the IBA and affiliate corporations. He also works with the IBA marketing committee in planning and hosting the annual marketing conference.

Prior to joining the IBA, Mr. Holthaus was employed by Merchants National Bank, Cedar Rapids, heading up its marketing department from 1972 until 1982. He then went to American Federal in Des Moines, as vice president and marketing director.



R. HOLTHAUS

Mr. Holthaus brought national attention to Merchants National Bank in 1980 when he created a 50% IRA promotion. He developed the strategy and implemented the two day promotion which netted over 5,000 new accounts for the bank. He was also responsible for planning and executing the bank's 100th year celebration while at Merchants National and will be responsible for much of the IBA's centennial activities during 1986-87.

## Two Elected in Algona

First Interstate Bank of Algona recently elected Terry Vaudt as vice president and cashier and Joyce Petersen as loan compliance officer.

Mr. Vaudt previously served as vice president and manager of First Interstate Bank's Bode office. He has been with the First Interstate Bank for ten years.

Mrs. Petersen has previously served as a loan supervisor and has been employed by the bank for five years.

## Waterloo Bk. Appoints Three

Peoples Bank and Trust Company of Waterloo recently appointed Bruce S. Anderson as senior vice president, Ronald J. Anderson as vice president of the lending division, and Douglas D. Boyce as trust officer.

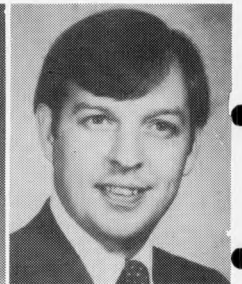
Mr. Anderson has been with the Peoples Bank since 1975. As senior vice president, he will be in charge of all operational areas of the bank, including operations, asset liability/management, personnel, and marketing. Mr. Anderson will retain his title and responsibilities as vice president of Peoples Bankshares, Ltd., the multi-bank holding company that owns Peoples Bank and Trust.



B. ANDERSON



R. ANDERSON



D. BOYCE

Ron Anderson joins Peoples Bank with eighteen years experience in the financial industry. He has previous lending experience, including being in charge of mobile home lending departments, lending sales, consumer loans, and other lending functions. Mr. Anderson will be responsible for all loan activities at the Peoples Bank, and will serve as loan division head.

Mr. Boyce joins Peoples Bank's trust department after six years as a consultant and accountant covering administration, insurance, investments, tax planning, and retirement plan administration for health care professionals in the Mason City area.

## E.V.P. Added in Van Horne

David Coulter has joined Van Horne Savings Bank as executive vice president. His banking career includes serving as loan officer at the Hudson State Bank from 1981 to 1985 and working as a bank examiner for the Iowa Department of Banking from 1978 to 1981.

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## IIB Committees for 1985-1986

**O**LIVER A. Hansen, chairman and president, Liberty Trust and Savings Bank, Durant, has recently released the IIB Committees for 1985-86.

Mr. Hansen will serve as chairman of the administrative committee. John Chrystal, president and CEO, Bankers Trust Company, Des Moines, will serve as chairman of the legislative committee and W.D. Willer executive vice president, Decorah State Bank, Decorah, will serve as vice chairman.

O. Jay Tomson, chairman and president, Citizens National Bank, Charles City, will chair the Task Force on Bank Structure in Iowa committee and Robert P. Holleran, president, Clinton National Bank, Clinton, will chair the public relations committee.

Larry Arendt, president, Gibson Savings Bank, Gibson, will serve as

chairman of the membership committee and George H. Perry, president, The City National Bank, Shendoah, will chair the program development committee.

The PAC committees will be headed by Arnold Schultz, chairman and president, The Grundy National Bank, Grundy Center and James W. Lipton, president, Ida County State Bank, Ida Grove. Larry Grimstad, executive vice-president, Security Bank and Trust Company, Decorah, will serve as chairman of the insurance study committee, while James R. Brown, executive vice-president, Hardin County Savings Bank, Eldora, will serve as chairman for the educational committee.

Finally, Douglas McDermott will serve as chairman of the bankers' bank study committee. Mr. McDermott is president and trust officer, Home State Bank, Jefferson.

## Retires from Postville Bk.

W.A. Kneeland has announced his retirement from the Postville State Bank after 51 years of service with the bank. Mr. Kneeland served as president of the bank from 1958 to 1978 when he was elected chairman of the board. During his 70 year banking career, Mr. Kneeland was active in many banking organizations. He served as a member of the state banking board from 1961 to 1965 and was elected Group 4 chairman and treasurer of the Iowa Bankers Association. Mr. Kneeland also was very active in the savings bond program, serving as regional chairman for many years.

## Six Named in Cedar Falls

Six new members have been elected to the board of Midway Bank & Trust, Cedar Falls. These members join the regular board members for a total of twelve directors. The new members include: Joy Corning, state senator representing Cedar Falls; Rev. Homer Larsen, pastor of Nazareth Lutheran Church in Cedar Falls; Kenneth Lockard, president of Lockard Construction, Inc.; Dr. James A. McCutcheon, dentist in Cedar Falls; Carol A. Reese, secretary-treasurer of Peterman & Haes, Inc., and William J. Rickert, senior vice president of The National Bank of Waterloo.

## Recognized in Albia

Grace Buol and Robert Kaldenberg were named Woman of the Year and Boss of the Year, respectively at the Albia Business and Professional Women's annual meeting Tuesday night.

This is the third year the group has named a Woman of the Year and the second year they have named a Boss of the Year.

Mrs. Buol is the former editor of the Albia NEWSpapers. She retired October 18, after nine years with the papers.

Mr. Kaldenberg has worked at the First Iowa State Bank for 31 years, 17 of which have been as bank president. He has also farmed and worked at the John Deere Ottumwa Works.

## Addition in Council Bluffs

Chris E. Fenimore has recently joined State Bank and Trust in Council Bluffs as an assistant vice president and trust officer.

Prior to joining the bank, Mr. Fenimore served as a trust officer at Hawkeye Capital Bank and Trust in Des Moines for 13 months.

## Eagle Grove Bk. Celebrates Homecoming



**S**ECURITY Savings Bank, Eagle Grove, helped celebrate Homecoming 1985 by giving helium-filled balloons to children as well as decorating floats with them. This all seemed pretty mundane until the bank received a letter, addressed to Security Savings Bank, with balloon fragments enclosed and opening with the salutation, "Dear Bankers." The letter said: "We would like to inform you that today we found these balloons in a hay field behind our home. The strings were all tangled together and the red balloon was still inflated. We were wondering if this was part of a business promotion and if they were really released at the location printed on the balloon? We live about seven miles north of Menominee, Michigan." The letter was signed by a family whose rural address is Menominee, Michigan and was posted in Green Bay, Wisconsin.

## Retires in Sac City

Dale H. Ninneman, vice president and cashier of the Sac City State Bank has announced his plans to retire at the end of this year. Mr. Ninneman has been employed by Sac City State for all 38 years of his banking career. He joined the bank in 1947 following his military discharge at the close of World War II. He has held various positions with the bank, and was promoted to vice president and cashier in 1967.





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## National Bank Waterloo Wins Arts Support Achievement Award

**M**ORE recognition has been given to the National Bank of Waterloo for its unique and extensive support of Iowa artists. The most recent is the 1985 Outstanding Achievement Award for Business/Corporate Support for the Arts, sponsored by the Iowa Arts Council with support from the Meredith Corporation, headquartered in Des Moines.

As noted in earlier issues, the National Bank of Waterloo has undertaken in recent years vigorous support of Iowa artists and has their work—paintings in all forms, sculptures and other art forms—distributed in offices, lobbies, meeting rooms and public areas throughout every floor of the bank. The bank maintains an extensive filing system on each art piece and frequently follows up on the progress of the various artists, who are from

all over the Hawkeye state.

So that other Iowans may benefit also from NBW's extensive art collection, the bank's correspondent bank division currently is sponsoring a portable display of selected pieces of its art at various community banks in northeast Iowa. The exhibit has been solidly booked ahead since the program started a few months ago. NBW personnel transport, set up, repackage and ship the exhibit to the next bank that has reserved the exhibit.

Joanne Fetner, whose husband, Scott Fetner, is president of National Bank of Waterloo, is chairman of the bank's Art Acquisition Committee and is one of six persons named recently to the Iowa Arts Council board by Iowa Governor Terry Branstad.

## Marion Bank Sponsors High School Essay Contest

Farmers State Bank of Marion has announced to Linn County high school seniors the annual senior essay contest through which they have the opportunity to win the \$100.00 cash prize offered by the bank, as well as to be entered in the national \$5,000 scholarship fund competition.

The national competition money

is offered by the Independent Bankers Association of America, consisting of a first prize of \$2,500, second prize of \$1,500 and third prize of \$1,000. The latter prizes will be awarded during the IBAA 1986 annual convention at Las Vegas next March 9-13. The competition is named the Howard and Katherine Bell Scholarship Fund, in honor of Howard Bell, who retired in recent years as IBAA executive director, and his wife, Katherine. The essay

competition is designed to increase public awareness of locally-owned banks' contributions to the community.

Farmers State Bank in Marion will judge the local entries to select its own \$100 winner.

## Addition in Waverly

Kent A. Hall has joined the staff of The First National Bank of Waverly as assistant vice president.

Mr. Hall started his banking career in 1977 at The First State Bank of Manly, Hanlontown office, of which his father was president. While a student at Waldorf College, he was employed by the Forest City Bank & Trust Company as a trainee. In 1981, he joined the staff of Norwest Bank, Atlantic, as assistant cashier and loan officer, and then transferred to Norwest Bank, Mason City, where he continued as a lending officer in agriculture, commercial, real estate and consumer loans.

## Early Bank Assumed

Iowa's 10th bank failure of 1985 occurred November 1 when the state banking department closed the Early Savings Bank due to insolvency caused by a string of ag loans gone sour. The FDIC, as receiver, sold the deposits of \$11.8 million and certain assets to Citizens First National Bank of Storm Lake for the high bid of \$10,001. FDIC paid in \$3.8 million cash to complete the transaction.

The new institution will be operated as the Early branch of Citizens First National and located in the same offices as the failed Early Savings Bank.

Early (Sac County) is 17 miles directly south on Hwy. 71 from Storm Lake (Buena Vista County). Last year-end Early Savings had assets of \$12,919,000, loans of \$8,257,000, and capital accounts of \$1,267,000.

The Citizens First National Bank of Storm Lake assumed about \$11.8 million in 2,700 deposit accounts, including \$58,000 in two accounts in excess of the federal insurance limit of \$100,000. To facilitate the transaction, the FDIC advanced \$3.8 million to the assuming bank and retained assets of the failed bank with a book value of about \$4.6 million.





**ABOVE—Paul Quam**, agriculture chrmn. and v.p., Hayesville Savings Bank, Hayesville; **Howard Beerman**, Heinold Commodities, Inc., Chicago; **Arthur Davis**, Davis, Hockenberg, Wine, Brown and Koehn, Des Moines; and **Leslie Miller**, ag loan officer, Davis County Savings Bank, Bloomfield, began Monday morning's general session.



**ABOVE—Gilbert Stanek**, farmer/bank director, Fort Dodge; **Neal Conover**, chrmn., First National Bank, Creston; and **Don Hofstrand**, area farm mgmt. specialist, Mason City, discussed how to "Provide Marketing Education to Bank Customers."

## ●Ag Marketing Conference Receives Enthusiastic Response

By **CARLA LUKENBILL**  
Associate Editor

**"S**UCCESSFUL Marketing: It's Impact on Ag Lending Decisions" was the theme for the Ag Marketing Conference, October 28 and 29, at the Gateway Center in Ames. This conference, sponsored by the Iowa Bankers Association, was a result of the numerous requests by ag lenders for increased education on the various ag marketing tools available to them at this critical time.

Leslie Miller, ag loan officer, Davis County Savings Bank, Bloomfield, presided as conference chairman for the two-day event.

Arthur Davis, senior partner of the Davis law firm in Des Moines, began Monday's general session with a presentation entitled, "The Legal Ramifications of Providing Marketing Advice."

Mr. Davis discussed the word "partners," used to describe the relationship between borrower and lender or, in this case, farmer and banker. Today, however, he feels this word is no longer in existence and seems dangerous. "We are seeing more lawsuits filed by desperate farmers who are losing their farms to lenders and thus having the tendency to blame the lender rather than saying it is my fault," he added.

"So why get involved in the subject of farming with borrowers?" he asked. The reason is simple. Bankers need to know about farming because it is good for their business and without this knowledge the borrowers will take their business elsewhere.

Mr. Davis cites four courses of action for bankers to take in order to protect themselves from a lawsuit or lending problems: 1. Do not give marketing advice; therefore, no one can come back on you or try to sue you. 2. Give marketing advice but charge a fee for it. The banker will need to check regulatory requirements in order to charge a fee, though. 3. Continue giving advice but disclaim or have an agreement about the advice which says that the borrower can't rely on the bank from a liability standpoint. Most customers will sign this sort of an agreement and it is considered better than charging a fee, which implies that the bank considers itself an expert. 4. Take defensive notes. This is the best way to keep record of what you advise a borrower and, by having the borrower sign a disclaimer statement, you then have a written record of your discussion. This, however, can be a mixed blessing if the banker did give some poor advice, as the farmer also has a written record.

Mr. Davis concluded by warning bankers that not every borrower will

be honest and, therefore, it is essential to be conservative, take notes and have all notes signed.

Howard Beermann, director of the agricultural hedging and commercial services division of Heinold Commodities Inc., Chicago, followed Mr. Davis, with his presentation entitled, "Introducing Brokerage—Does a Bank Need to Offer It?"

Mr. Beermann broke this subject into two questions: "Should banks offer a farm marketing service?" and "Should banks become an introducing broker?"

He said the bank gains several benefits by responding positively to the two questions. Some of the benefits include: attracting new customers, generating fee income from market planning, providing collateral value protection, offering professional hedging strategies, offering complete marketing plans utilizing both cash markets and futures markets, providing proper education in complete marketing, providing loans for legitimate hedge margin requirements and providing a closer working relationship with the customer.

Mr. Beermann said several risks, however, also are involved with offering these services. First, when offering advice in marketing, the question arises—should you dictate at what price, what quantity and by what means to forward price? Mr.





**ABOVE—Richard Brock** led bankers through numerous marketing strategies that can benefit a bank's decision-making process.

Beermann said the best suggestion is to counsel, not advise, unless it directly affects loan repayment. He suggests helping the farmer determine what a given price means to him in total dollars of cash flow, loan repayment, profit and net worth. "Allow choices for the farmer: offer futures, options or cash contracts, use a structured plan or traditional hedge, as well as helping the farmer determine a forward pricing policy," he added.

Mr. Beermann felt a second risk involved lawsuits from customers who sold, perhaps at the bank's urging, at a reasonable price but later the price went higher. The banker needs to ask several questions of the farmer such as: "What percentage did he sell?" "What was his original objective?" "Was it to sell at top?" "Did he have a plan?" "Did he follow the plan?" "Was the hedge profitable to the enterprise?"

Mr. Beermann went on to say professional marketing is not "trying to beat the market, making a profit on the futures, or becoming a trader or speculator in the futures." He suggests helping the customer forward the price market properly with a plan, but not speculate in the market and then call it hedging. "Help the customer become a risk-manager," he added.

A third risk is that there is no forward pricing by the borrower. Mr. Beermann stated, "If the price is high at sale time, everyone is happy." "If the price is low, the bank's risk of loss is high," he added.

Mr. Beermann said the final risk involves the poor image of the commodity broker. Therefore, he sug-

gests operating as a marketing service, not just a commodity brokerage, and naming the new service: "Marketing Center," "One Stop Financial Service" or "Complete Financial and Marketing Service."

Mr. Beermann concluded by explaining how a broker may be introduced into an organizational structure and the mechanics of the introducing broker or marketing services firm.

The other morning speakers were Ron Mortensen, president, and Sue Mortensen, vice president, Advantage Agriculture Strategies, Fort Dodge.

Their presentation focused on "Using Options as Price Insurance." Ms. Mortensen began by defining an option as an agreement between two parties granting the purchasing party the right, but not the obligation, to buy or sell the underlying commodity under specific conditions in exchange for the repayment of a premium. She said there are two kinds of options: 1. Put—by buying a put the party has the right to assume a short futures position. This protects the party from prices going down and if futures price goes down, the put will increase in value. 2. Call—by buying a call the party has the right to assume a long futures position. A call also protects the prices from going up and if futures price goes up, the call will increase in value.

Ms. Mortensen said there are several reasons to consider buying options: 1. An option establishes a floor price or a ceiling price, while not actually making a sale. 2. There is no loss beyond the initial premium which is the most one can lose. 3.

There are no margin calls. 4. Delivery is not required, unlike a forward contract with an elevator. 5. There is less emotion present due to the flexibility.

Monday's afternoon session began by a telephone conversation with Rusty Jesser, ABA federal legislative representative in Washington, D.C.

A panel discussion entitled, "Providing Marketing Education to Bank Customers," followed Mr. Jesser's conversation. Members of the panel included Gilbert Stanek, farmer/bank director, Fort Dodge; Neal Conover, chairman, First National Bank, Creston, and Don Hofstrand, area farm management specialist, Mason City.

Gilbert Stanek began by stating that over one-half of the people who need marketing education do not receive it. "This number includes bankers themselves," he added.

He said bankers need to focus on two things: 1. Stressing the market alternatives. 2. Working with the farmer and his wife.

Mr. Stanek said when the bank develops marketing strategies with the farmers three things need to be considered:

1. Discipline—"You have to have a marketing plan in writing that says exactly what the farmer is going to sell."

2. Offensive strategy—in which the farmer capitalizes on any additional products and, if obvious change is needed, allows him to adjust.

3. Defensive strategy—in which the farmer must limit his potential. If the farmer's plan won't work you may have to come down, he added.

Mr. Stanek concluded by saying bankers must make a marketing plan a condition of the loan, develop a master role note and constantly check recordkeeping so there is an account of where the farmer is spending his money.

Neal Conover said there are two different types of farms: self-sufficient and manufacturing. He said farmers are trying to be manufacturing farmers with a self-sufficient mindset and bankers are lending to them.

Mr. Conover said farmers need to know their production skills, asset utilization, efficiency measures, marketing ability and cost containment comparison.

"We need to get down to the real



issues and educate on a broader sense," he concluded.

**Don Hofstrand** concluded the panel discussion by saying the difference between good marketing vs. bad marketing is the difference between profit vs. loss.

He said there are several don'ts in marketing education such as: 1. Don't have just a price outlook meeting for farmers, as you can't guarantee it is right. 2. Don't use a general approach with charting as it only shows partial answers. 3. Don't teach just the mechanics of hedging but rather how to deal with hedging in a marketing plan.

Mr. Hofstrand said a good marketing program should include a government program, financial needs, price environment, seasonal trends, and futures and options market.

He added that the banker and farmer have to be willing and able to monitor and adjust the marketing plan. As Mr. Hofstrand said, "It is best to market when you can get a single run rather than thinking you always need a homerun because, if you will recall, the person with all the homeruns also has the record for the number of strikeouts."

**Ann Jorgensen**, consultant, Farm Home Office, Garrison, followed the panel discussion with her view of "When to Use a Marketing Service."

Because modern farming requires better marketing and financial management skills, Ms. Jorgensen and two partners started Farm Home Offices as a way to provide farmers with products designed for use in their offices such as recordkeeping worksheets.

Ms. Jorgensen feels the reasons farmers aren't following cash flow and marketing plans is because just learning the mechanics of a marketing plan is not enough. Ms. Jorgensen said it takes time, practice, and a demonstration-type approach where the borrower can walk through examples using actual numbers with the lender.

She concluded that the majority of farmers are a long way from using a marketing service because they do not have their records in order. Ms. Jorgensen adds that farmers need to concentrate on good information, historical data and the interrelationship between production and marketing to be successful.

**Dave Anderson**, president, Rec-

Check, Nevada, addressed bankers next on "The Pros and Cons of Recordkeeping Systems."

Mr. Anderson felt there are several advantages of recordkeeping systems such as tailoring each individual borrower's operation, offering personalized income and expense reports, and offering complete cash flows, financial statement and detailed loan documentation and analysis for agricultural operators.

Mr. Anderson said when offering a recordkeeping system bankers need to base it on having solid credit information, accurate records, maintenance, customers filling out the information themselves since they know the operations best, standardized information coming in through the use of forms, total support maintained for the system from top management on down, and continuing education for all employees and borrowers on the system.

Mr. Anderson concluded with a show of hands as to how many bankers were currently using the Rec-Check system. Approximately one-half of the bankers in attendance raised their hands.

Monday's general session concluded with "Proven Marketing Success Stories," which featured a bank panel including: Paul Quam, senior vice president, Hayesville Savings Bank, Jeffrey Graves, assistant vice president, Liberty Trust and Savings Bank, Durant, and Roger Engelkes, executive vice president, The Grundy National Bank, Grundy Center.

Tuesday's general session was led by Richard Brock, president, Brock Associates, Milwaukee, Wisconsin.

**Mr. Brock** said the banker has five roles in farm marketing: 1. Being torn between doing nothing, being an advisor or a dictator. 2. Having a thorough understanding of the market. 3. Educating clients about what they can expect in the market. 4. Working with the client as a partner not an adversary. 5. Making sure all parties understand the game plan and are adequately financed.

Mr. Brock explained that in order to have an effective marketing plan one must set realistic goals and write them down. When making goals, he added, avoid making decisions based on greed, wishful thinking, fear and ego, as 95% of all marketing problems are due to emo-

tions. He felt that a balance sheet approach was the most effective way to organize information.

Mr. Brock also explained three approaches to developing a price outlook:

1. **Fundamental**—essential to determine a general idea of the estimated value of a product.

2. **Technical**—essential for timing sales and purchases.

3. **Behaviorial**—do the opposite of the crowd.

Mr. Brock concluded the morning by going through ten easy steps for dealing with grain and livestock case studies.

Tuesday's afternoon session featured a loan documentation and bankruptcy workshop led by Tom Flynn, an attorney with Wimer, Hudson, Flynn and Neugent, Des Moines, and Frank Pechacek, an attorney with Smith, Peterson, Beckman and Willson, Council Bluffs.

The workshop provided lenders with the opportunity to ask questions on such topics as foreclosures, bankruptcy workout procedures, security agreements and loan documentation. □



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**Des Moines**

The Iowa Bankers Association is once again sponsoring the annual Best of Iowa Bank Marketing competition. Marketing programs completed by Dec. 31, 1985 are eligible to compete in one of three categories: products and services, institutional (name changes, openings, etc.) and community relations. Advertising awards will be made in eight categories. Banks are judged in groups based on asset size. Entries must be made by Dec. 31, 1985. Winners will be announced at the IBA Marketing Conference scheduled for March 23-25, 1986. For more information or to enter, con-

tact **Dick Holthaus** at the IBA office in Des Moines.

\* \* \*

The Iowa Bankers Association's Mid-Winter Management Conference, "Reaching New Heights in Vail," will be held Feb. 26-28, 1986 in Vail, Colorado. Evening meetings will be held each day, with a welcome reception on the 26th, and cocktails/dinner on the 27th and 28th. Days are free for skiing, shopping and other recreation. Registration fees are \$130 for members, \$175 for subscribers and \$260 for nonmembers. For more information about ac-

commodations, etc., contact the IBA office in Des Moines.

\* \* \*

**J. Locke Macomber**, chairman of Valley National Bank, has announced that **Janette Henderson** has been elected vice president in the lending division. Ms. Henderson joined Valley National Bank in 1979 and most recently was assistant vice president in the lending division.



**J. HENDERSON**

\* \* \*

The Iowa Bankers Association is sponsoring the Iowa Commercial Lending School Feb. 2-8, 1986 at Iowa State University in Ames. Tuition is \$700, which includes room, meals, casebook and study materials. The purpose of the 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. For more information about enrollment qualifications and curriculum, contact the IBA office in Des Moines.

\* \* \*

**Robert G. Millen**, president and chief executive officer of First Interstate Bank of Des Moines, has announced the appointment of **Margaret Hoogerheide** as trust officer. She will be responsible for the development of new personal trust relationships. Ms. **M. HOOGERHEIDE** Hoogerheide was previously assistant vice president and trust officer at Bankers Trust in Des Moines.



### Elected in Evansdale

**Kathleen J. Brown** has recently been elected operations officer of First Security State Bank, Evansdale. Ms. Brown will be assisting with the operations of the bank's Waterloo office and the accounting functions of the Evansdale office.

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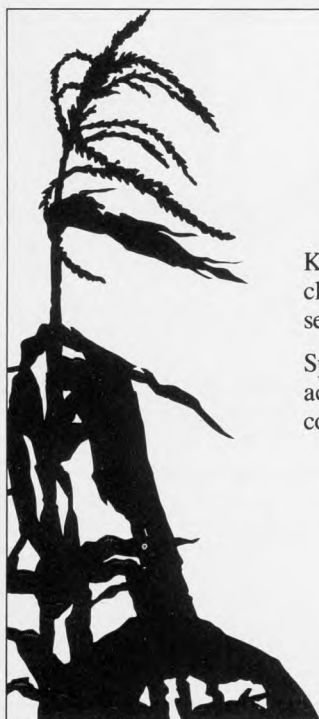
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## Retires in Cedar Rapids

Jack Parmenter, senior vice president and cashier, First Trust and Savings Bank, Cedar Rapids, will retire January 1, 1986.



J. PARMENTER

Mr. Parmenter joined the Central National Bank of Des Moines in 1948 serving in all areas of bank operations. He is credited for installing the first bank computer system in Iowa including an E.F.T. system between Central National and Home State Bank, Jefferson. Mr. Parmenter was elected assistant cashier at that time and served in the computer department until 1965.

In 1965, he was elected vice president of Farmers State Bank of Marion, Iowa, and was promoted to vice president and cashier in 1966.

In 1980, Mr. Parmenter was elected to his most recent position at First Trust and Savings Bank, Cedar Rapids.

## Officer in Dubuque

Dubuque Bank and Trust Company announced the appointment of Steven J. Krogmeier as ag lending officer. Mr. Krogmeier joined the Dubuque Bank and Trust in July of this year, after previously working for the Eastern Iowa Production Credit Association as a senior loan officer. Mr. Krogmeier is a graduate of Iowa State University with a degree in agricultural education.



S. KROGMEIER

## Director Elected in Manly

John J. Gallagher was recently elected a director of First State Bank, Manly, filling the vacancy created by the retirement of Robert W. Peterson. Mr. Gallagher has been employed by the bank for the past four years and currently serves as vice president and cashier.

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## Alan Tubbs Honored by ABA



A GIFT was presented to Alan and Myrna Tubbs (left) by Kenneth W. Lee (at mike), of ABA.

*Editor's Note: Alan R. Tubbs, president, First Central State Bank, DeWitt, Ia., was given special recognition at the 1985 National Agricultural Bankers Conference conducted last month in Dallas, Tex., by the American Bankers Association. Part of that recognition came when Kenneth W. Lee, associate director of ABA's Corporate Financial Services Group, presented a gift to Al and his wife, Myrna, pictured above. Al's parents, Edward L. Tubbs, chairman of Maquoketa State Bank, and Grace, were in the audience to witness the honor accorded their son. Many Iowa bankers already know of the outstanding service Al Tubbs has given to them through serving as 1984-85 chairman of the ABA Ag Bankers Division and many other assignments, but for those who may not be aware of Al's unceasing efforts on behalf of Iowa bankers and farmers, we want to share the text of Mr. Lee's tribute as he presented the gift to Al Tubbs:*

"Three years ago, I attended my first Agricultural Bankers Conference in Chicago, Illinois. Since then, I have had the pleasure of working with many dedicated bankers determined to accomplish results for the benefit of the industry.

"No one has been more sincere in their effort than has Alan Tubbs. Early in our relationship, Al and I made an agreement. Essentially, that agreement was 'We will inform you of all activities in which we would like your involvement and it's up to you to let us know if we are asking too much.' To this day, I cannot recall Al having declined a single request that we have made of him.

"During the four years Al has served on the

Agricultural Bankers Division Executive Committee, he has assisted us in meetings with officials of the Department of Agriculture—including an advisory committee to Secretary Block. He has met and discussed agricultural banking with industry leaders, instructed foreign bankers, presented numerous testimony before Congress, met with President Reagan, appeared in ABA advertisements for national TV programs, conducted private briefings for members of Congress, traveled to other countries speaking in behalf of the industry, instructed at ABA and State Banking Association Schools, served on the ABA Government Relations Council and served in the ultimate capacity as chairman of your Agricultural Bankers Division (1984-85).

"Wherein, the industry has been a winner because of Al's efforts, someone has had to lose. I regret to say that all too often Al's family was the loser. Al approaches his responsibilities as a husband, father and community member with an even greater degree of sincerity than that with which he has approached his professional career. But, because of his major involvement in ABA and Agricultural Banking, there were times when Myrna, his beautiful and understanding wife, did not receive the attention she deserved; and there were times when Al's athletically inclined sons did not have the comfort of knowing that their father was in the stands or on the sidelines during some of those critical games and special events. (By the way, Myrna really knows how to feed growing boys — Brigham, their oldest son, a mere high school junior, is a strapping 6 feet 8 inches tall, and Abram, their youngest son, is a 6 feet 2 inch freshman! How many of you have University basketball coaches who would like for Myrna to be director of their athletics cafeteria?)

"So, on behalf of the Agricultural Bankers Division staff and fellow committeemen, I would like to present this gift to you, Al, for your willingness to serve and for the effort you have put forth on behalf of the industry; and to you, Myrna, for your patience and support of Al and for the times when you had to serve as both mom and dad; and also to Brig and Abe for sharing with us their dad during this important development period of their lives.

"Please join me in demonstrating our appreciation to Al and his family."

## Officer Added in Goldfield

Security Savings Bank has recently named Galen Jennings as loan officer for the Goldfield office. Mr. Jennings has been manager of the Boxholm office of Boone State Bank and will bring 10 years of lending experience to the bank.

The hiring of Mr. Jennings as an additional loan officer for Security's Goldfield office represents an expansion for the office that has been needed due to the additional work load as a result of the merger of the former Goldfield State Bank and Se-

curity Savings Bank 17 months ago.

At Security, Mr. Jennings will be working most closely with the Goldfield office, though he will also have some occasions to work in the Eagle Grove office.

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<input checked="" type="checkbox"/>	<input type="checkbox"/>	Insurance Plans That Fit Virtually Every Loan Situation	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Simple, Automated Premium Reporting System
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Special Programs for the Large Borrower	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Computer-based Measurement and Control System to Help You Manage Your Business
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Nation-wide Toll-free WATS Service	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Personalized Training For Your Support Personnel
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Instant, Over-the-phone Rate Calculations For Difficult Loans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Simplified Procedures Manuals For Administrative People
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Instant, Over-the-phone Underwriting approval for over-limit coverages	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Complimentary Sales Aids, Brochures and Point-Of-Purchase Materials
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sales and Insurance Training Programs Designed for Bankers	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Free Analysis of Your Current Insurance Operations
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Incentive Plans to Help Increase your Productivity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	"Captive Company" Capability
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Professional, Experienced Account Field Representatives			

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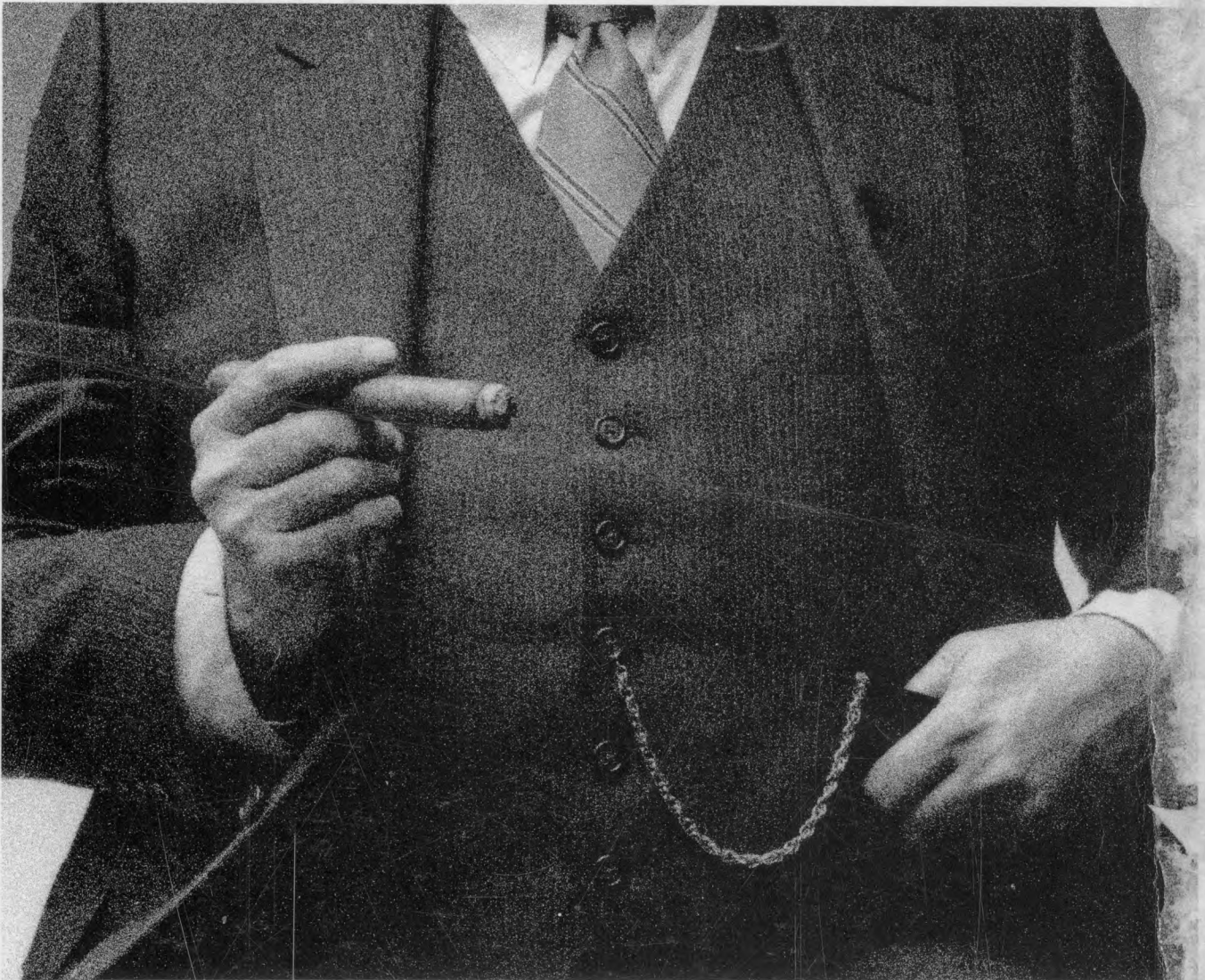
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