

NORTHWESTERN *Banker*

JULY
1986

Newly-Elected State Officers



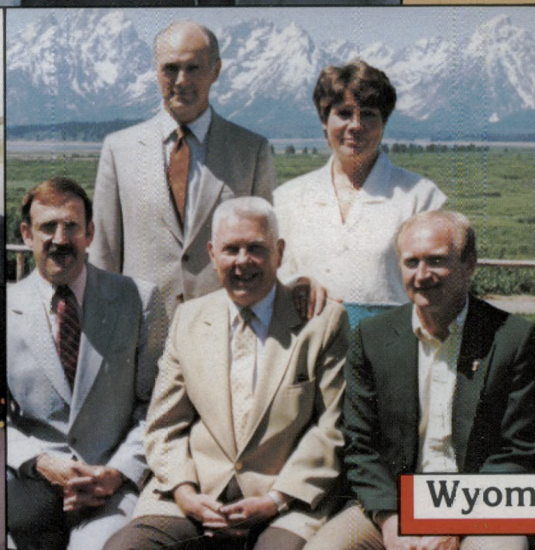
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• The Case of the Defendant Director—Part IV

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ON THE COVER

Exclusive color photos of the new officers of seven upper midwest state banker associations were taken at recent state conventions by the NORTHWESTERN BANKER. Nebraska's officers are, from left: Pres.-Elect—**Donald E. Blaha**, pres., 1st Natl., Ord.; Pres.—**C.G. "Kelly" Holthus**, pres., 1st Natl., York.; Immed. Past Pres.—**Mel Adams**, chmn. & ceo, Adams Banks, Ogallala, and Exec. V.P.—**Stan Matzke, Jr.**, Lincoln. The Nebraska convention report was published in the June issue.

Officers for the Colorado, Illinois, Minnesota, North Dakota, Wisconsin and Wyoming Bankers Associations, also pictured on the cover, are identified with on-the-spot, exclusive staff reports appearing in this issue. (Note page numbers below for each convention report.)

Color photo was unavailable for South Dakota (reported last month).

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NORTHWESTERN BANKER

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CSBS Certifies Michigan

In ceremonies at Lansing, the Michigan Financial Institutions Bureau became the fifth state bank regulatory agency in the nation to receive formal certification under the State Banking Department Accreditation Program of the Conference of State Bank Supervisors (CSBS).

The Certificate of Accreditation was presented by Sidney A. Bailey, commissioner of financial institutions of Virginia and chairman of the CSBS Performance Standards Committee, to Michigan Commissioner Eugene W. Kuthy. Mr. Bailey emphasized the certificate recognizes that the Michigan Financial Institutions Bureau "conforms to the highest standards of bank supervision and regulation," adding, "the core of effective duality lies in effective systems at both state and federal levels." The CSBS spokesman concluded, "this new, highly professional, highly disciplined performance evaluation program demonstrates in the most concrete fashion that state banking departments are worthy of the expanded responsibilities being placed on them."

David Taylor Elected at Irving Trust Company

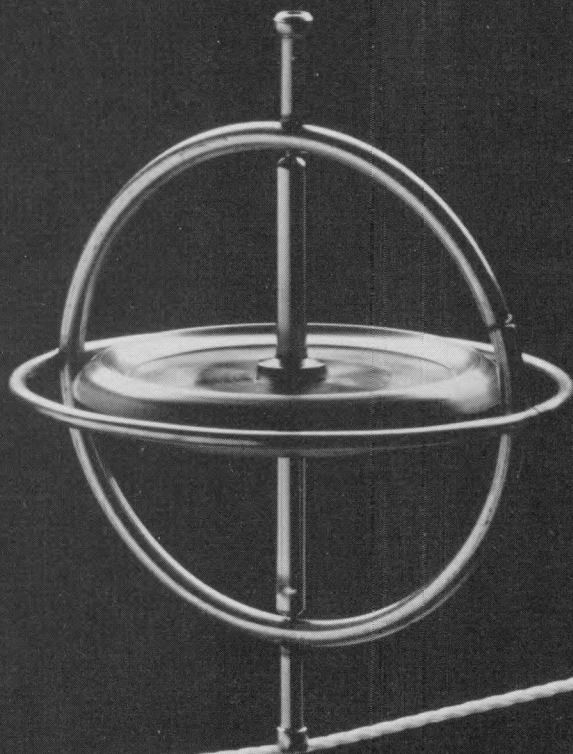
David G. Taylor has been elected vice chairman and a director of Irving Trust Company, New York, it was announced recently by Joseph A. Rice, chairman and chief executive officer of the bank and its parent company, Irving Bank Corporation.

Mr. Taylor has been vice chairman of Continental Illinois National Bank and Trust Company of Chicago, responsible for the bank's funding, trading and treasury operations.

From February to July 1984, Mr. Taylor served as chairman and chief executive officer of Continental, leading that bank through its funding crisis and negotiating its financial restructuring package with bank regulatory authorities.

At Irving Trust, Mr. Taylor will be responsible for the bank's securities markets, investment banking, foreign exchange and funding activities. He will assume most of the current duties of Senior Executive Vice President Robert W. Stone, who is scheduled to retire in 1987.

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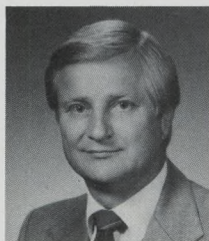
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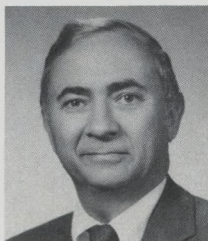
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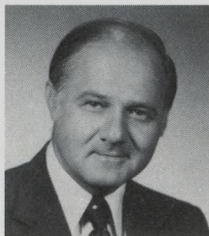
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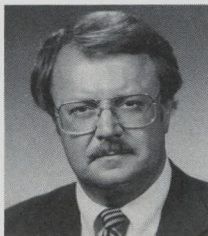
Richard J. Yeshnowski
 Vice President / Manager



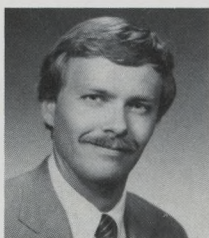
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 Vice President



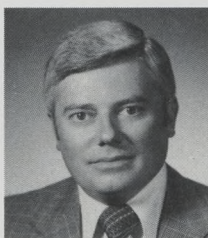
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 Vice President



John D. Clements
 Vice President

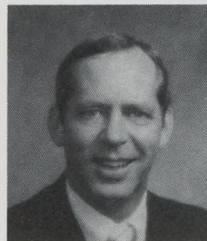


Tim Kyndesen
 Assistant Vice President

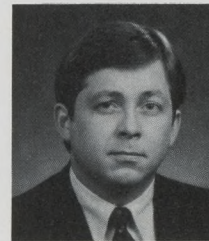


John Wear
 Assistant Vice President

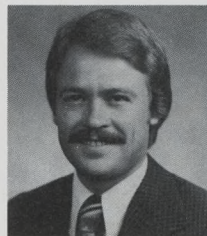
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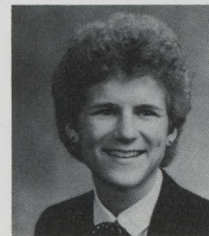
Gary L. Bieck
 Vice President/ Manager



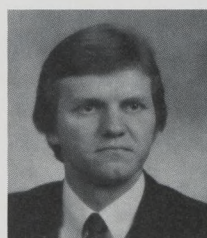
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 Vice President



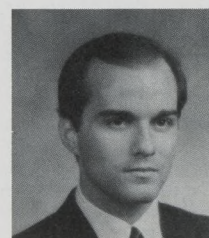
Marv Hefti
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Kathryn Barker
 Agricultural and Financial Officer



David Luckey
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Daniel Black
 Ag & Financial Representative

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Important Changes Are Made at First of Chicago

William E. Moeller, 44, has been named executive vice president/partner and head of the North American Banking Group of the Global Corporate Bank for The First National Bank of Chicago. He has responsibility for the Midwest, New York and National Banking Departments and for the Middle Market Banking and U.S. Financial Institutions Divisions. Prior to this, he was the head of the midwest banking group.

Before joining First Chicago in

November, 1981, Mr. Moeller was a vice president and area manager of Citicorp (USA), Inc., having started his career with that bank in 1965. His last Citibank post was in charge of corporate business in Illinois, Wisconsin, Michigan and Indiana areas, as well as supervising Citibank International, an Edge Act Bank in Chicago. He received his BA from Yale in 1964 and his MBA in finance and accounting from The Amos Tuck School of Business Administration at Dartmouth in 1966.

James K. Suhr, 56, senior vice president, and Thomas M. King, 58, vice president, have elected to take



W.E. MOELLER

J.N. MEEHAN



J.K. SUHR

T.M. KING

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early retirement. Mr. Suhr was head of the U.S. Financial Institutions and National Groups. Mr. King was head of the Community Banking Institutions Division in the U.S. Financial Institutions Division.

Succeeding Mr. Suhr, effective May 1, was James N. Meehan, 40, vice president and head of the U.S. Financial Institutions Division. Replacing Mr. King, effective July 1, was John M. Clark, 56, vice president, as head of the Community Banking Institutions Division.

Mr. Suhr joined First Chicago in 1953 and subsequently held responsible positions at Chicago headquarters as well as in Eastern Europe offices, before being named a senior vice president in the U.S. Banking Department in 1977. He received his B.A. degree from Colorado College in 1960 and attended Northwestern's Graduate School of Business.

After his graduation from the University of Notre Dame in 1949, Mr. King served 10 years as an account executive in the bank division of The National Cash Register Company. After achieving an outstanding sales record at NCR, he joined LaSalle National Bank of Chicago and served as an assistant vice president in the correspondent bank department for eight years.

Mr. King joined The First National Bank of Chicago in 1967 and served four years as head of the public funds division of the bank. He then served the past 15 years with The First in various managerial capacities of correspondent banking, most recently as head of the

Community Banking Institutions Division. In this latter capacity he had become well-known to hundreds of bankers, especially in recent years for the Strategic Planning Seminars conceived and executed by his division for community banks (July 1985 NORTHWESTERN BANKER).

Mr. Meehan is a graduate of Marquette University and holds a MBA from Loyola University. He left Walston and Company, an investment firm, to join First Chicago in 1973. Prior to this latest promotion, Mr. Meehan was head of the Finance and Insurance Companies Division of the Corporate Banking Department.

Mr. Clark has been with First Chicago nearly 31 years. From 1980-85 he served as a team leader in the Midwest Financial Institutions Division, serving regional banks in Wisconsin, Iowa, Minnesota, Missouri, Kansas and Nebraska. Since 1985 he has been a team leader for Midwest Thrift Institutions.

Daktronics Introduces Galaxy TM LED Displays

Daktronics, Inc. of Brookings, S.D., has introduced Galaxy TM LED computer-controlled, message/animation displays - a dynamic new way to communicate indoors.

Galaxy TM displays are available in hundreds of different matrix configurations, from 16 to 128 points high, and 64 to 512 points wide.

Daktronics Venus 4100 TM and Venus 5000 TM controllers are capable of operating Galaxy TM displays. Features include automatic scheduling, special display effects, network capability, and fast and easy editing of word messages and animation.

Several large matrix Galaxy TM displays were recently shipped for installation at the Washington D.C. Convention Center.

Andrew Craig to Become Boatmen's Bancshares CEO

Boatmen's Bancshares, Inc., St. Louis, announced that Donald N. Brandin, chairman of the board and chief executive officer, had agreed to continue as chairman of the board through 1988 but would relinquish the position of chief executive officer to Andrew B. Craig, III, president, at the end of 1987.

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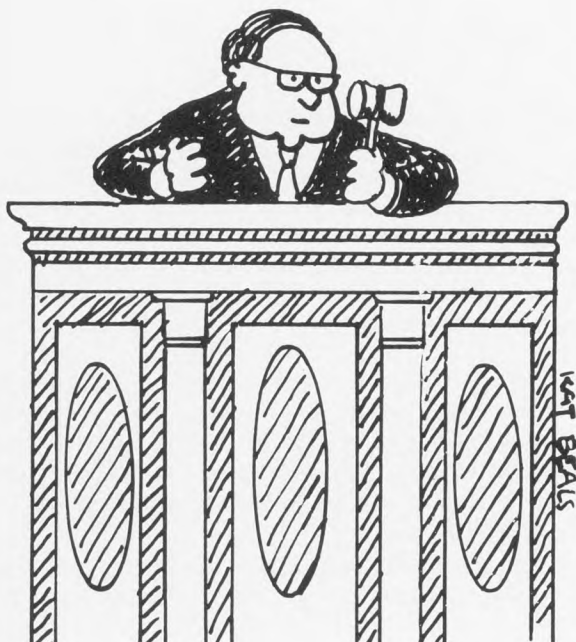
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Correspondent Services Division

Risk Protection Mechanisms



The Case of the Defendant Director: Part IV

Written especially for
THE NORTHWESTERN BANKER by
FRANK J. CARROLL and **DAVID S. STRUTT**
Partners, Davis Hockenberg Wine Brown & Koehn
Des Moines, Iowa

THE first and third articles in this series of five articles introduced the expanding trend toward director and officer liability and summarized the legal sources which may provide a basis for imposing such liability. The second article summarized the legal defenses available and provided guidelines intended to reduce the exposure to such liability. This fourth article discusses the risk protection mechanisms currently employed to provide financial protection for today's bank director and bank officer.

PART IV RISK PROTECTION MECHANISMS

RISK protection mechanisms available to the director or officer include: (1) prevention; (2) indemnification; and (3) insurance.

Risk Protection Mechanisms

(1) **Prevention.** One of the most effective means of limiting liability is to prevent the liability from occurring. General guidelines and other methods of avoiding or at least reducing exposure to such liability are discussed in the first three articles of this series. This fourth article discusses the risk protection mechanisms which are applicable when the preventive measures have failed to prevent a claim from being made.

(2) **Indemnification.** Indemnification provides a mechanism by which the bank may reimburse the officer or director for certain liabilities and related expenses incurred. Indemnification may be obtained under: (a) common law; (b) statutes; (c) corporate documents; or (d) contract.

Measures to Obtain Indemnification

2.1. Common law. There are a few early cases which support the establishment of a common law right of a director to indemnification from the corporation. Indeed, some state statutes which provide statutory indemnification specifically refer to and incorporate by reference any common law indemnification rights which existed prior to the effective date of the statute. Obviously, the availability of indemnification under the common law is not within the control of a director; it either exists or not. Therefore, when looking to indemnification as a financial protection to the director, a director should not count on the availability of common law indemnification. Rather, the statutory indemnification provisions or contractual indemnification provisions should be analyzed when any indemnification planning is undertaken. Common law indemnification rights, if they exist, should only be applied as a last resort when the situation requiring such indemnification has already arisen.

2.2 Statutory. Nearly all states provide for statutory indemnification of directors and officers. These general indemnification provisions typically apply to all corporations, including bank corporations. Many states follow the Model Business Corporation Act ("Model Act") provisions. Therefore, the 1980 version of Model Act provisions will be highlighted in this article.

Two Categories

Statutory indemnification provisions fall into two categories: (i) those statutes that merely grant the power to the corporation to indemnify (permissive statutes); and (ii) those statutes that impose a duty on the corporation to indemnify (mandatory statutes). Some

statutory provisions provide a mix of those permissive or mandatory formats.

In addition to the distinction between permissive indemnification and mandatory indemnification, many statutes also expressly provide whether such indemnification is exclusive or non-exclusive. If the statutory indemnification is exclusive, the director will not be able to expand the scope and coverage of the statutory indemnity. If, however, the statute is silent or expressly provides that it is non-exclusive, the director may wish to consider expanding the scope and coverage of the indemnity through contractual means. Even such non-exclusive statutes, however, typically provide that any additional indemnity must be consistent with the statutory provisions.

The comments to the Model Act state that it is not intended to be an exclusive type statute. However, the Model Act requires that any indemnification provisions which are adopted be consistent with the Model Act. For example, commentators have expressed the view that a charter, bylaw, or contractual agreement which alters the permissive indemnification procedures in such a way that they become mandatory may be consistent with the Model Act.

Review the Limitations

Indemnification statutes vary from state to state. Even statutes based on the Model Act may contain some variances. Therefore, it is incumbent upon the di-

ly provide indemnification for legal costs and other expenses incurred in successfully defending a claim. Does the indemnity apply only to litigated cases? Such restricted coverage may not apply to settlements. Some indemnification statutes segregate the coverage based on the standard determined to have been breached.

Under the Model Act, a director is indemnified against reasonable expenses incurred by the director in connection with the proceeding where the director has been wholly successful on the merits or otherwise. Additionally, a director may be indemnified by the corporation if that director acted in good faith and reasonably believed that the conduct was in the best interest of the corporation. Even if the corporation does not indemnify under this permissive standard, a court of appropriate jurisdiction may order indemnification and, in those cases where good faith and best interest are not satisfied, the court may still allow indemnification in view of all of the relevant circumstances. However, any director that has been adjudged liable in any proceeding charging improper personal benefit may only be indemnified for expenses (which includes attorneys' fees) by court order. Without this court order a director is not entitled to any indemnification when personal benefit is involved.

(c) **What costs are indemnified.** As mentioned above, some indemnification is provided only if liability is determined by a court. If the claim is settled before lia-

“It is incumbent upon the director to review the specific indemnification provisions for his particular state law.”

rector to review the specific indemnification provisions of his particular state law. The director should take particular note of the limitations to indemnification. Any statutory indemnification should be reviewed with the following factors in mind:

(a) **Who is indemnified.** It is important to determine who is intended to be provided the benefits of statutory indemnification. If the indemnity is provided only to directors, an inside director may wish to carefully document actions taken in his capacity as a director, to distinguish actions taken as an officer. Also, is it clear that the indemnity continues even after the director resigns (for actions taken during his term), or does it apply only to existing directors?

The Model Act extends coverage to any person who is or was a director or officer of the corporation, although indemnification for directors is more restricted than that permitted for officers. However, for those individuals who are both officers and directors of the corporation, the Model Act provides that indemnification may only be given to the extent allowed as a director and not to the more permissive indemnification standards available to officers.

(b) **What acts are indemnified.** Most indemnification statutes make a distinction between actions by or on behalf of the bank, and actions involving third parties. Indemnification for liability incurred as a result of an action by a bank or its shareholders (derivative actions) is less likely to be provided. Does the indemnification depend on whether the director is successful in defending the suit? Some indemnification statutes on-

bility has been determined, the indemnification rights may not apply. Also, it may not be clear whether all accounting, legal and other associated costs and expenses may be included within the indemnity, or whether punitive damages, fines or penalties are included.

Costs that may be legally indemnified under the applicable statutory provisions may be limited by other relevant state or federal statutes. For example, the Comptroller of the Currency has provided that, as to national bank directors or officers, a national bank may, through its articles, adopt provisions of indemnification which substantially reflect the general standards of law of (i) the state in which the bank is headquartered, (ii) the state in which the bank's holding company is incorporated, or (iii) the relevant provisions of the Model Act. Such provisions are presumed by the office of the Comptroller to be within the general corporate powers of a national bank. The Model Act permits indemnification in the corporation's articles that are broader than those specified in the Model Act so long as such broader indemnification provisions are not inconsistent with those specified in the Model Act. However, the Comptroller has provided that no such indemnification will be permitted to the extent that it provides for indemnification in any administrative proceeding or action instituted by an appropriate bank regulatory agency, which proceeding or action results in a final order assessing civil money penalties or requiring affirmative action in the form of payments to the bank. The Comptroller also has the authority to

review any indemnification provisions, and may require the bank to modify any such provisions to the extent that the Comptroller determines such provisions provide a threat to bank safety and soundness.

(d) **What special conditions precedent must be followed before indemnity may be claimed.** Some indemnification statutes impose a complex procedural format which must be satisfied if the right to indemnification is to be obtained. Common provisions include special notice requirements to the bank and/or its shareholders of the claims, time limitations for providing such notices, and formal methods for determining the extent of liability and the standard of care breached.

The Model Act states that no indemnification shall be made unless authorized by one of several determination procedures. These procedures include: (i) by vote of the board of directors (provided that quorum voting requirements contained in the Model Act are followed); (ii) by special legal counsel; or (iii) by the shareholders. In addition, any indemnification arising out of a derivative action must be reported in writing to the shareholders with or before the notice of the next shareholders' meeting.

Director Should Address Gaps

It is incumbent upon a director or familiarize himself with the local statutory indemnification provisions in order to insure that the benefits available from such indemnification will be realized. Further, to the extent that the indemnification is not complete or is unclear, the director may wish to consider addressing any such potential gaps in indemnification in the corporate documents or by other contractual means.

2.3 Corporate Documents. The indemnity provision should be reflected in the articles and bylaws of the bank. The business reasons which require the indemnity should be documented to provide a basis for supporting a determination that the existence of the indemnity is within the corporate power of the bank. The extent which indemnity may be provided in the articles and bylaws is dependent upon the type of statute - either exclusive or non-exclusive - which is applicable to that particular bank. In the event that the indemnification statute is non-exclusive, the bank may, by article and bylaw, provide for a much broader indemnification than that provided by statute, so long as it is not inconsistent with the statute. By including the indemnity in all primary source documents of the bank, the director will obtain the benefit of having shareholder approval.

The Model Act provides that no provision in corporate articles or bylaws to indemnify or to advance expenses to a director shall be valid unless consistent with the Model Act. In the case of national banks, it appears that indemnification is allowed only when provided for in the articles of association.

2.4 Contractual. By requesting a separate agreement, the director will obtain the benefit of having an

independent contractual basis to support the indemnity, in a form which is not subject to unilateral amendment by the shareholders. The contractual indemnity should be blended with the statutory indemnification provisions, to make sure that they are consistent and that there are no gaps between the two. As noted earlier, the contractual indemnification may provide that permissive statutory indemnification becomes mandatory. Both the corporate document and contractual indemnification agreements may provide in advance the procedure by which indemnification agreements may provide in advance the procedure by which indemnification may be determined, following any of the authorized procedures outlined in the particular indemnification statute. The contract should specify who is covered, and the type of costs, penalties, fines, punitive damages, expenses, losses, damages, and other items intended to be covered. Also, it should be clear whether the indemnity is intended to provide advance payment, or if it is intended to operate only as a reimbursement of such costs after liability has been imposed and such costs actually incurred by the director or officer.

Third Party Source

Since the indemnification comes from the bank, and is merely an agreement to reimburse (or to provide advance payment for) costs and liabilities incurred, the bank's ability to indemnify is subject to the general creditor risks of the bank. Therefore, if the bank is not financially capable of fulfilling the indemnity, the protection intended to be provided may be nullified, or at least significantly reduced. Because the need for indemnification typically arises under circumstances where the bank is not in the best financial position, the effectiveness of an indemnity right may be subject to doubt. Therefore, the director or officer may wish to look to a third party source for providing such payment or reimbursement. Such third party payer is typically provided for in the form of company reimbursement insurance and director and officer liability insurance. The director may also wish to consider the feasibility of securing the indemnity by letter of credit, establishing a self-funded trust, or other financial protection mechanism intended to promote payment of the indemnity.

Insurance: Third Risk Protective Mechanism

(3) **Insurance.** Due to the limited effectiveness of indemnification, many banks provide company reimbursement insurance and/or director and officer liability insurance coverage to encourage participation by competent and capable directors. Today's financial crises, however, have reduced the availability and increased the cost of such insurance coverage. As a result, many banks are simply not able to continue providing such insurance coverage. Another response has been the formation of captive insurance companies by groups of such insureds, to self-fund such insurance protection. Even if such coverage is provided, how-

“...the director may wish to consider addressing any such potential gaps in indemnification in the corporate documents or by other contractual means.”

“The prudent person will undertake the responsibility of serving as a director or officer only after carefully analyzing the extent (and limitations) of available protections.”

ever, it is important that the director realize that such insurance protection is *never* absolute. The policy should be reviewed carefully by the director and legal counsel to determine the extent and limitations on coverage.

As a threshold question, the director should satisfy himself that the corporation has the authority to acquire company reimbursement insurance and/or director and officer liability insurance. Most state statutes expressly provide for such authority. If it is unclear whether the corporation has the authority to obtain such insurance coverage, the cautious director may wish to make specific provision in the articles and by-laws which permit such acquisition, in order to obtain shareholder approval.

Insurance Coverage Divided

The typical insurance coverage is divided into two categories. The first category, commonly referred to as “company reimbursement insurance,” provides for reimbursement to the corporation to the extent that the corporation has properly made any indemnification or other payments to a director or officer. The second category, commonly referred to as “director and officer liability insurance,” provides coverage to a director or officer to the extent that the corporation does not (or cannot) provide indemnification. It is noteworthy that under neither category is a corporation allowed to recover for any acts for which the corporation itself is found to be liable. Therefore, if a claim is against both the bank and its directors or officers, it is important that the director or officer provide for a clear and reasonable split of costs and liabilities associated with the claim, so that all costs and liabilities attributable to the action against the director or officer may be properly provided for under the insurance coverage. It is also important to note that the director/officer is generally given wide latitude in designating legal counsel under the director and officer liability insurance policy.

Consider General Issues

In connection with a review of the director and officer liability insurance policy, the director should consider the following general issues:

(a) Who is insured. It is important to determine who is insured under the policy. Policies generally cover the entire history of officers and directors.

(b) What acts are insured. Most policies provide that coverage is limited to those “wrongful acts” specified in the policy. A standard exclusion in most policies is to exclude coverage for any criminal or intentional acts. Similarly, the type of wrongful act which is permitted coverage may be limited to those acts undertaken in the insured’s capacity as a director and may exclude any actions taken within the scope of his responsibilities as an officer or other agent for the bank. Therefore, it may be important to formally document

any actions taken by a director and to clarify whether they are taken in such individual’s capacity as a director or otherwise. For example, if a director takes an action he may wish to formally document such action in the board of directors minutes by making specific reference to the action and that it is undertaken in his capacity as a director rather than as an officer, attorney, shareholder or other agent of the bank.

(c) What costs are insured. The types of losses covered should be reviewed. Does coverage include reimbursement or payment for all damages, judgments, punitive awards, fines, penalties, settlements, attorneys fees, accountants fees and other costs associated with the investigation or defense against the covered claim, or are only specified and limited items covered? Are there any limits (maximum dollar amounts) on coverage? Such policies almost universally exclude coverage of fines or penalties, and also usually provide for a maximum dollar limit on coverage, typically ranging from one million to five million dollars. Many policies add deductible provisions that require the director to pay the first dollars of liability. Exclusions may also be provided for claims covered under other policies, personal injury claims, pollution claims, ERISA claims, nuclear energy liability claims, claims involving dishonesty or fraud, personal profit or damage, insider’s short-swing profits, illegal remuneration, libel or slander, or damages that would have been covered if reasonable and customary insurance protection had been obtained by the bank. Exclusions may also be provided for claims made by the bank, or for claims by any regulatory agency, such as the FDIC.

(d) What special conditions precedent must be followed before insurance may be claimed. Most such policies contain mandatory procedural and notice provisions which, if not followed, may void coverage. It is important that such requirements and limitations be understood so that whatever limited protection is available is not lost. Many policies provide that notice be sent to the insurer whenever a claim has been made against the director, notice has been received by the director of a third-party’s intent to hold the director liable, or the director is aware of any occurrence which may subsequently give rise to a claim.

Because of the dramatic increase in director liability cases, there is an increased concern and awareness of the types of risk protection mechanisms available. The prudent person will undertake the responsibility of serving as a director or officer only after carefully analyzing the extent (and limitations) of available protections. If a committed use of preventive measures does not prevent the claim from being made, the financial risks associated with such potential liability may at least be minimized by careful planning and use of indemnity and insurance protections.

Next month: Claims Made By the FDIC Against Directors and Officers.

Revisiting Data Processing Alternatives

By GEOFFREY H. WOLD
CPA
McGladrey Hendrickson & Pullen

THERE are two basic automation alternatives available in today's banking environment: service centers and in-house computer systems. However, there are several variations of each alternative that can include distributed processing, microcomputers and remote item capture equipment. There are several important quantifiable and non-quantifiable factors that should be thoroughly investigated before a bank selects a system.

Quantifiable Factors

When analyzing automation alternatives it is important to identify all the relevant costs throughout the life cycle of the system. The length of the system life cycle will vary depending on the particular circumstances; however, it is common to assume that a system will be obsolete after five years. One time costs and annual operating costs should be determined.

The analysis should include only the relevant costs

EXHIBIT QUANTIFIABLE FACTORS

Cost Description	One-time Costs	Annual Operating Costs	Cost Description	One-time Costs	Annual Operating Costs
Hardware:			Supplies:		
Main computer	X	X	Disks, tapes and diskettes		X
MICR equipment	X	X	Stock paper		X
Teller terminals	X	X	Special forms		X
Microcomputers	X	X	Printer ribbons		X
Cables	X		Printer bands		X
Power installation transformers	X		Output binders		X
			Office supplies		X
Support Equipment:			Site Preparation:		
Burster	X	X	General construction	X	
Decollator	X	X	Electrical	X	
Tape cleaner	X		Fire detection and prevention equipment	X	
Tape rack	X		Computer room security equipment	X	
Envelope stuffers	X		Terminal cable installation	X	
Noise silencers for printers	X		Telephone installation	X	
Jogger	X		Office furnishings	X	
			Air conditioning equipment	X	
Office Equipment:			Humidity control equipment	X	
Data media cabinets	X		Transition costs:		
Calculators	X		Personnel	X	
Desks	X		Hardware	X	
Chairs	X		Software	X	
Telephone	X		Delivery	X	
Outlet strips	X		Installation	X	
Anti-static flooring	X		Conversion	X	
			Personnel:		
Telecommunications:			Wages		X
Hardware	X	X	Taxes and benefits		X
Software	X	X	Training		X
Telephone line installation	X				
Line costs		X	Other:		
			Electricity		X
Software:			Telephone		X
Operating system	X	X	Insurance		X
Application software	X	X	Rent		X
Custom modifications	X		Microfiche processing		X
MICR software	X	X	Sales tax	X	
Teller terminal software	X	X	Consulting fees	X	
ATM software	X	X			
ACH software	X	X			
Microcomputer software	X				

that have an impact on the decision. For example, the cost of existing equipment that was purchased in the past is a sunk cost and may not be relevant when analyzing the cost of a new system. Another example could be the cost associated with space requirements of a system. These costs are probably irrelevant if the bank has excess space capacity that could not be rented or used for another purpose. The Exhibit contains a list of typical one-time costs and annual operating costs that should be quantified when comparing various automation alternatives.

Hardware costs have decreased significantly during the last five years, while speeds and capacities have increased. However, hardware acquisition may represent less than 30% of the total five year cost of an in-house computer system.

Many service centers are reevaluating their pricing strategy as a result of competition from in-house computer vendors. In the past, most service centers based their pricing strategy on a per unit account and transaction basis. Therefore a bank's cost could increase when it experienced growth in the volume of accounts and transactions. However, presently certain service centers are providing long-term (3-5 years) fixed price contracts that are not related to volume. In these situations, the service center is assuming the risk of volume increases. This risk is possibly quite low for many banks.

Non-Quantifiable Factors

1. Software flexibility is important for either a service center or in-house computer system. The system design should be modular to facilitate adding new applications. In addition, the software should be parameter driven to allow non-technical users to change processing routines and procedures without modifying the program (e.g. interest computations, service charge routines, etc.)
2. Integrated software is also an important consideration for either alternative because it allows a bank to better streamline its overall operations. Duplication of effort in data entry and computer processing should be minimized. It can be of particular benefit in the CIF and general ledger applications.
3. File transfer capability between a main computer system and a microcomputer can provide end users with a powerful capability. Many service centers and in-house systems provide this capability.
4. Both in-house systems and service centers should have good documentation that is easy to use and up-to-date. Outdated documentation is a common problem when systems are modified.
5. Many service centers and in-house systems provide a report writer software package to allow a non-technical user to develop special reports. However, as a word of caution, all report writers are not created equal. It is important to consider a report writer that can access multiple files across several applications.
6. It is not necessarily a requirement that all the applications be acquired from a single source. Microcomputers and distributed processing techniques provide several options and alternatives with both service centers and in-house computers.

“In 10 years, data processing has progressed through five generations of computer hardware, and indications are that changes will accelerate as technology advances.”

7. Equipment and software obsolescence is a continuing concern. In 10 years, data processing has progressed through five generations of computer hardware, and indications are that changes will accelerate as technology advances. Software advances have included a cast of thousands. Attracting, retaining and managing a qualified EDP technical staff is a common problem with computer systems, and is more acute in non-urban areas.
8. EDP internal controls are a vital consideration in a decision. The Comptroller of the Currency and other regulatory agencies are extremely concerned about EDP internal controls especially in banks with in-house systems. Important areas of concern include:
 - Physical security
 - Access controls
 - Backup
 - Disaster/recovery planning
 - Segregation of duties
 - Program change controls
 - Off-site storage
 - Data editing and validation routines
 - File maintenance controls
 - Balancing controls
 - Data input, processing and output controls
 - Adequate documentation
 - Data communications controls
 - System development and maintenance controls
 - Hardware controls
9. Software support is as important as hardware maintenance. The bank should consider the capabilities of the service center and the software vendor to provide continuing regulatory changes and other enhancements on a timely basis. Banks should be careful when modifying a standard package, because it could result in an unsupported system. A prerequisite to software modification is the availability of source code; however, many vendors do not provide source code.
10. The changing EFT and telecommunications technology requires special analysis, because of the severe systems impact. It is important to consider the interface to ATM and POS networks, as well as the processing for microfiche, ACH, and on-line teller terminals.

In summary, it is important that bank management thoroughly analyze both the quantifiable and non-quantifiable aspects of each data processing alternative. This approach should result in a system selection that satisfied both short-term and long-range objectives. □

Convention Calendar

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

National Conventions & Schools

1986

July 14-18—KBA, NBA and Iowa Trust Assoc. School of Trust and Financial Planning, Holiday Inn, Manhattan, Kan.
 Aug. 10-15—Central States Conference of Bankers Associations and the University of Wisconsin - Post Graduate Program/Banking Executive Program, University of Wisconsin, Madison, Wis.
 Aug. 10-23—Central States Conference of Bankers Associations and the University of Wisconsin-Madison Graduate School of Banking/Banking School, University of Wisconsin, Madison, Wis.
 Sept. 7-10—ABA National Bank Card Conference, Loew's Anatole, Dallas, Tex.
 Sept. 14-17—NABW National Convention, Ceasars Palace, Las Vegas, Nevada.
 Sept. 21-24—ABA National Conference on Human Resources, Fairmont Hotel, San Francisco, Calif.
 Sept. 21-24—BMA Annual Convention, Washington Hilton, Washington, D.C.
 Sept. 21-26—KBA, NBA Professional Development Program Intermediate School of Banking, Holiday Inn, Manhattan, Kan.
 Sept. 22-26—BAI Basic Bank Auditing Conference, Minneapolis, Minn.
 Sept. 23—The College for Financial Planning, Financial Planning Practice Seminar, Part II, Atlanta, Ga.
 Sept. 28-Oct. 1—RMA Annual Fall Conference, Shamrock Hilton, Houston, Tex.
 Oct. 7-10—BAI Contemporary Issues in Cash Management Conference, Washington, D.C.
 Oct. 14-17—RMA Conference on Securities Lending, Boca Raton Hotel and Club, Fla.
 Oct. 19-22—BAI Asset Liability Management Conference, Dallas, Tex.
 Oct. 24-29—ABA Annual Convention, San Francisco, Calif.
 Nov. 16-19—BAI ATM9 Electronic Delivery Systems Conference, Los Angeles, Cal.
 Nov. 16-19—BMA Trust & Personal Financial Services Marketing Conference, New Orleans Sheraton.
 Nov. 16-19—ABA National Ag Bankers Conference, Opryland Hotel, Nashville.
 Nov. 16-19—BAI ATM 9, The Electronic Delivery Systems Conference, Los Angeles, Calif.
 Nov. 17-21—BMA Southwestern Essentials of Bank Marketing School, University of Houston, Houston, Tex.
 Dec. 9-12—BAI Money Transfer/Corporate Operations Conference, New York, N.Y.

State Conventions & Schools

Colorado:

Aug. 3-10—Graduate School of Banking, University of Colorado, Boulder.

Oct. 6-7—Asset/Liability Mgmt Seminar, Denver.

Illinois:

July 20-25—IBA Consumer Lending School, Bradley University, Peoria.
 July 27-Aug. 1—IBA Commercial Lending School, Bardley University, Peoria.
 Aug. 10-15—IBA Bank Compliance School, DePaul University, Chicago.
 Aug. 17-22—IBA Internal Auditing School, DePaul University, Chicago.
 Sept. 16-17—IBAA Commodity Marketing Seminar, Chicago.

Iowa:

July 22—IBA Bank Directors Seminar, Buena Vista, Storm Lake.
 July 23—IBA Bank Directors Seminar, Airport Hilton, Des Moines.
 July 24—IBA Bank Directors Seminar, Holiday Inn, Cedar Rapids.
 July 24-26—IIB Annual Meeting & Convention, The New Inn, Okoboji.
 Aug. 6-8—IBA Financial Statement Analysis, Airport Hilton, Des Moines.
 Aug. 30—IBA Loan Documentation, Marriott, Des Moines.
 Sept. 14-16—IBA 100th Annual Convention, Convention Center, Des Moines.

Minnesota:

July 20-25—MBA Midwest Banking Institute, University of Minnesota, Morris.
 Aug. 10-15—MBA Commercial Lending School, St. Olaf College, Northfield.

Nebraska:

July 14-18—Schools of Banking School of Trust and Financial Planning, Holiday Inn, Manhattan, Kan.

North Dakota:

Aug. 19—NDBA Loan Documentation Workshop, Kirkwood Motor Inn, Bismarck.
 Sept. 15—NDBA Northeast Group Meeting, Veterans Club, Grafton.
 Sept. 16—NDBA Northwest Group Meeting, Turtle Mountain Lodge.
 Sept. 17—NDBA Southwest Group Meeting, Golden West, New Salem.
 Sept. 18—NDBA Southeast Group Meeting, Eagles Club, Valley City.

South Dakota:

Sept. 15—SDBA Group II Meeting, Sheraton Inn, Aberdeen.
 Sept. 16—SDBA Group IV Meeting, Wrangler Motor Inn, Mobridge.
 Sept. 17—SDBA Group V Meeting, Rapid City.
 Sept. 18—SDBA Group III Meeting, Holiday Inn, Mitchell.
 Sept. 19—SDBA Group I Meeting, Holiday Inn City Centre, Sioux Falls.

Wisconsin:

July 14-15—IBAA Internal Auditing I Seminar, Madison.
 Aug. 3-9—WBA Consumer Credit School, St. Norbert College, De Pere.
 Aug. 10-15—WBA Basic Banking School, St. Norbert College, De Pere.
 Aug. 10-23—Graduate School of Banking, University of Wisconsin, Madison.

Evergreen Announces New System, New Sales Manager

Evergreen Systems, Inc. of Omaha has announced a new software system for financial institutions using the IBM/36 family of business computers. At the same time, Evergreen announced appointment of Ken Meredith as sales manager for the organization.

Mr. Meredith has spent the past five years with Financial Systems, Inc. of Kearney, Nebr., as national sales manager. Prior to joining FSI he was employed by a commercial bank for a number of years.

The System/36, which served the smallest institutions up to those with \$500 million in assets, can utilize Evergreen's new integrated software system to support a single institution with multiple branches, or a multi-bank holding group with common ownership.

Evergreen software packages cover demand deposit accounting, check clearing, proof of deposit, savings, time CDs, commercial, mortgage and installment loans, retirement management accounting, safe deposit box accounting, and general ledger. Programs may be purchased individually or as a complete financial management system.

The retirement management accounting system also is available as a stand-alone package for the IBM Personal Computer and includes capabilities for producing IRAs, Keoghs, 401-Ks and self-directed plans.

Evergreen's software has been in development for the past three years and offers many features not found in systems designed prior to deregulation. All of the software packages are integrated with a customer information file to allow access to all of a client's relationship. An institution can have access to any information stored in the system through an on-line reports generator. Examples would include customized reports, marketing demographics and asset and liability information.

Documentation for the system is provided through the use of a help key, allowing immediate inquiries to questions concerning the operation of the system.

Mr. Meredith said Evergreen will announce a seminar schedule later in the summer to introduce financial executives to this newest financial information processing concept.

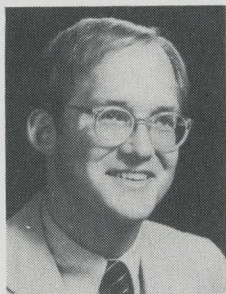
David Kemper Named CEO of Commerce Bancshares, Inc.

The Commerce Bancshares board of directors has named David W. Kemper chief executive officer, in addition to his present title of president of the Kansas City-based company.

James M. Kemper, Jr., formerly chief executive officer, will continue as chairman and will remain active in the company's general management.

Commenting on the announcement, David Kemper said, "The change in the CEO designation is a natural step in our management succession plan announced at the annual shareholders meeting in April of this year. My father will continue to be very much involved in the overall direction and expansion of Commerce Bancshares."

David Kemper joined the Commerce organization in 1978 as vice president of the Kansas City bank. He was elected president and chief



D.W. KEMPER

operating officer of Commerce Bancshares in 1982. He added the direct senior responsibility for all operations in the St. Louis area in 1985 as chairman of Commerce Bank of St. Louis and moved to St. Louis at that time. He will continue to reside in St. Louis with a principal office in the Commerce Clayton headquarters building.

He is a director of Business Men's Assurance Company, Kansas City, and of several Commerce Banks. He is also active in several Missouri civic organizations.

ABA Video-Training Tapes Now Available For Rent

Best-selling video-training tapes in the American Bankers Association (ABA) BANCTRaining Video Systems series are now available for rent.

The ABA Community Bankers Council has selected 35 videoclasses covering all facets of banking for its new rental program. Samples include: "Organizing a Sales Call"; "Telephone Communications Skills"; "Tellers: Your Role in the Bank"; "Security Issues for the

Whole Bank"; and "Officer Calling: Responding to Objections."

"Thousands of financial institutions have been using BANCTRaining videoclasses for employee training through ABA's annual subscription program or individual purchase," said ABA Community Bankers Council Chairman T. Charles Bruere, president and CEO, First State Bank, St. Charles, Mo. "However, because ABA wants every bank to experience the benefits of in-bank video training, the rental program was developed."

A complete list of BANCTRaining videoclasses available for rent and additional information is available by calling 1-800-247-0010. (In Iowa, call collect 1-515-282-2601.)

FDIC Chairman Predicts 160 Banks in Trouble

A record number of banks — up to 160 — will either fail or need government assistance by the end of the year, the chairman of the Federal Deposit Insurance Corp. said recently in a speech to the United States League of Savings Institutions.

William Seidman said that be-

More power

tween 140 and 160 banks will fall into the failed or help-required category in 1986, up from last year's record 120 banks.

Bank failures and assistance transactions reached 55 by June 9, surpassing the 43 failures and interventions that occurred during the same period in 1985, said Mr. Seidman.

Seidman said that slightly more than 1,300 banks are on the FDIC's problem bank list, compared with 1,140 at the end of last year.

IBAA Moves to New Office

The Independent Bankers Association of America has announced the location of its new office. The address is One Thomas Circle, NW, Suite 950, Washington, D.C. 20005. Their phone number is (202) 659-8111.

United Missouri Bancshares Elects Assistant Treasurer

United Missouri Bancshares, Inc., Kansas City, has announced that Gary L. Lasche has been elected assistant treasurer of the corporation.

Mr. Lasche has been with United Missouri since 1983 and currently serves as senior vice president and assistant treasurer for the holding company and senior vice president and assistant comptroller for the company's lead bank, United Missouri Bank of Kansas City, N.A.

BMA Announces Officers

The Bank Marketing Association announced recently the selection of its 1986-87 slate of officers headed by its new president, John A. Russell, vice president and director of marketing at Banc One Corp., Columbus, Ohio.

Mr. Russell, who took over his duties July 1, served during the last year as BMA's first vice president. As BMA president, the Banc One executive succeeds Smith W. Brookhart, III, president of Centerre Bank of Branson, Mo.

Joining Mr. Russell on the MBA leadership team for the coming year are Michael Sullivan, first vice president, who is vice president of corporate communications at First Union National Bank, Charlotte, N.C.; Gerald Warren, second vice president,

who is senior vice president for public affairs at National Bank of Detroit, and American Bankers Association Treasurer Thomas P. Rideout, president and chief executive at Savannah Bank & Trust Co., Savannah, Ga.

Messrs. Russell, Sullivan, Warren, and Rideout join Mr. Brookhart, immediate past president, and Raymond M. Cheseldine, executive vice president, in comprising BMA's Executive Committee.

The BMA also announced the selection of five new directors, each of whom will serve three-year terms. They are James M. Grant, vice president/manager of marketing services, First National Bank of Chicago; Paul L. Hefner, senior vice president/chief of staff for the Los Angeles division, First Interstate Bank of California; Ruth E. Fall, vice president/sales development manager, California First Bank, San Diego; Charles L. Ferguson, chairman and chief executive, First Colorado Bank & Trust, Denver, and LeDean Bailey Hamilton, senior vice president/director of marketing and business development, Citizens Bank and Trust Company, Glasgow, Ky.

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THE 1986-87 Illinois Bankers Association officers are, from left: Vice Pres.—**Jack A. Emmons**, pres. and ceo, Security Bk. & Tr. Co., Mt. Carmel; Exec. Vice Pres.—**William J. Hocter**, Chicago; Pres.—**Charles E. Waterman**, chmn. and ceo, South Holland Tr. & Svgs.; Sec.—**Wilbur D. Meadows**, pres. and ceo, Natl. Bank of Canton, and Treas.—**Richard K. Ostrum**, pres., Uptown Natl., Chicago.



Louis Rukeyser, host of television's "Wall Street Week," talked about "What's Ahead for the Economy."

Illinois Bankers Elect Waterman As Pres.

By **ROBERT CRONIN**
Associate Publisher

"JUST as St. Louis was the place for making the final preparations before heading West, the Illinois Bankers Association's 1986 Annual Convention is the opportune place for preparing for the changes in banking." This excerpt from G. Thomas Andes' president's message explains why over 600 bankers and spouses met at the Adams Mark Hotel in St. Louis for the IBA Convention last month.

In addition to a broad range of general session topics, the program also featured several workshops on mergers and acquisitions, portfolio

management, legislative and regulatory developments and safety and soundness in the banking industry.

During the convention, Charles E. Waterman, chairman and CEO of South Holland Trust and Savings Bank, was elected president of the association and begins his term officially July 1. He succeeds G. Thomas Andes, president of First National Bank of Belleville.

Elected to the position of vice president was Jack A. Emmons, president and CEO of Security Bank and Trust Co., Mt. Carmel. The position of secretary will be filled by Wilbur D. Meadows, president and CEO, The National Bank of Canton. Treasurer will be Richard K. Os-

trom, president of The Uptown National Bank, Chicago. William J. Hocter will continue as executive vice president of the association.

During the first general session, Louis Rukeyser, host of television's "Wall Street Week," told bankers, "The sleeping beauty of the American economy is still waiting for her kiss." In his two hour presentation, "What's Ahead for The Economy," Mr. Rukeyser said there are two things that we can do to challenge our economic condition: first, to get inflation under control and second, to get the country launched on economic growth and higher standards.

Mr. Rukeyser called for economic leadership that won't shortchange Americans. "We need politicians that will keep their promises," he emphasized. "President Reagan is not totally to blame for the problems in our economy. These problems have been with us for at least



LEFT—Enjoying themselves during the convention were, from left: **William J. Hocter**, exec. v.p., IBA; **Donald G. Ogilvie**, exec. v.p., ABA, Washington, D.C., and **C.C. Hope**, dir., FDIC, Washington, D.C. RIGHT—Taking time out before the first general session were Immed. Past Pres.—**Thomas Andes**, pres., First Natl., Belleville, and Pres.—**Charles E. Waterman**, chmn. and ceo, South Holland Tr. & Svgs.



the past two decades.”

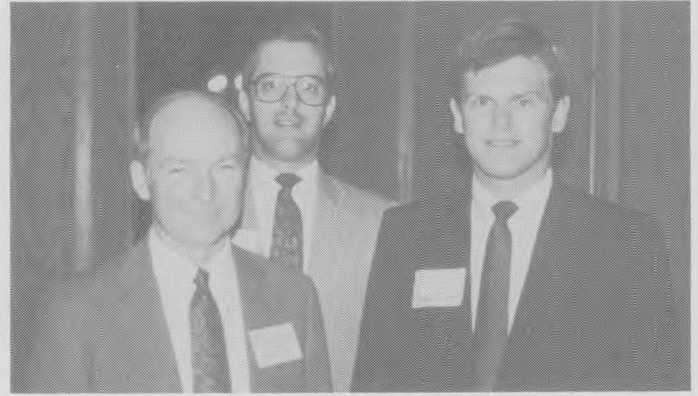
In his concluding remarks, Mr. Rukeyser predicted that our economy is going into a slow down phase, following our recent three and one-half year broad recovery. But he doesn't see the recovery dying out. He did caution the overflow crowd, "The true danger of our economic growth is this might send signals to Washington to loosen up on the fight against true inflation, thus sending the nation into a recession."

One of the most challenging pre-

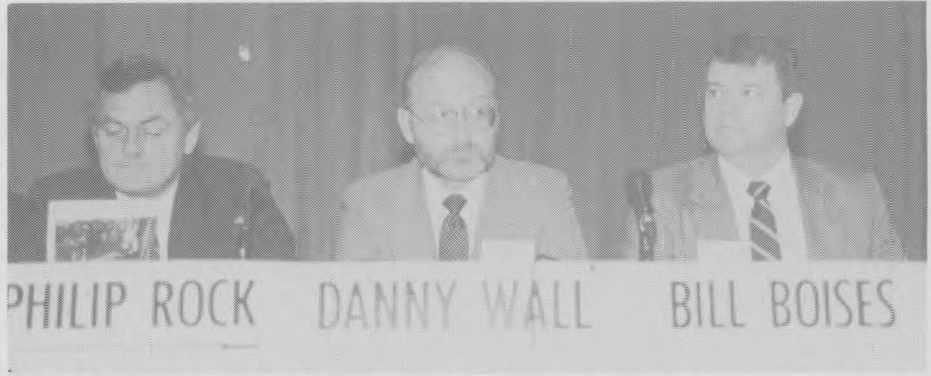
sentations of the convention was given by Michael Vance, a management consultant from Cleveland, who was once part of the Disney organization where he "helped develop creative solutions to corporate problems." During his session, bankers were cautioned to stay out of "the red zone," the area between unconscious competence and conscious competence. Mr. Vance said this is the place where people find themselves when they are "too excellent at what they do."

Mr. Vance told bankers, "Spirituality is a must in the corporate structure," because it establishes foundational values to which your employees and community respond. He also said, "People should have resource rich working environments because people tend to go to these places and if these areas are not available, they will go elsewhere."

In closing, Mr. Vance presented a new theory, called The Kitchen of the Mind (KM), which he says will be "the hottest thing going." It is a



LEFT—Present at the United Missouri Bank reception were, from left: **Robert J. Heinsohn**, St. Louis; **Matt Grzybinsky**, sr. v.p., St. Louis; **Peter J. Genovese**, vice chmn., UM Bancshares, Inc., St. Louis, and **Malcom M. Aslin**, pres. and ceo, UMB of Kansas City. RIGHT—Pictured at the Davenport Bk. & Tr. breakfast were, center: **Michael Bauer**, v.p.; right, **David Howell**, corr. bkg. off., with guest, left, **Lyle Campbell**, chmn., Worth Bk. & Tr., Ill.



LEFT—Presenting his topic, "Adventures in Creative Thinking," was **Michael F. Vance**, Cleveland, Oh. RIGHT—Taking part in a panel discussion were, from left: **Sen. Philip Rock** (D-Oak Park, Ill.); **M. Danny Wall**, dir., U.S. Sen. Committee on Banking, Housing and Urban affairs, Washington, D.C., and **William J. Bosies, Jr.**, sr. fed. adm. counsel, ABA, Washington, D.C.



LEFT—Welcoming guests to the Drovers Bank of Chicago breakfast were, from left: **Kathy Hardy**, v.p.; **Larry Nau**, a.v.p.; **Ruth and James Carmody**, chmn., and **Lorraine and Bob Corey**, exec v.p. RIGHT—**Robert H. Bukowski**, v.p., Douglas Austin & Associates, Inc., Arlington Heights, Ill., and **Douglas Austin**, pres.

type of learning resource center in the home. Mr. Vance's hypothetical KM includes three personal computers, a VCR, a telescope, microscope, and various musical instruments. "These are the places where we should spend our time," he concluded.

The second day's general session began with "A View from Washington," by C.C. Hope Jr., newly appointed director of the FDIC, Washington. He congratulated the Illinois Bankers Association for passing the

interstate banking bill, which goes into effect July 1, 1986.

Mr. Hope called on his banking friends to write their local senators on banking issues, especially the proposed Graham-Rudmann legislation. Under such legislation, said Mr. Hope, the FDIC would be required to cut its budget by over 4%, the equivalent of 500 examiners. "Now is not the time to be cutting back on this crucial aspect of the FDIC," concluded Mr. Hope.

Two panel discussions concluded

the afternoon's general session. The first was a state and federal legislative and regulatory discussion moderated by Thomas Andes. The second panel discussed current issues in bank safety and soundness. Special luncheon guests include Donald G. Ogilvie, executive vice president, ABA, Washington, and Lou Holtz, head football coach, University of Notre Dame, who inspired and entertained his banking audience with his presentation "Commitment to Excellence." □



Continental Illinois Corporation has announced that **William E. Gibson** has joined the organization as an executive vice president and a vice chairman of the asset and liability management committee. Also, the economic research division will report to him.

Mr. Gibson was senior vice president at RepublicBank in Dallas, Tex.

He joined the Dallas bank in 1981 and previously was a senior vice president at McGraw-Hill, Inc., a vice president at Smith, Barney, Harris Upham and Co., Inc. and vice president and director for The Chase Manhattan Bank, N.A., in New York.

Continental Illinois Corporation has also announced the appointment of three vice presidents.

Jacques Gliksberg, who joined the bank in 1980, will be in the corporate and institutional banking, Midwest department, which serves Chicago-based multinational corporations.

Jean Robinson joined Continental in 1980. She will be in the corporate

and institutional products department, counseling corporate customers interested in cash management advice.

Erle R.L. Archer, based in Continental Illinois' Sao Paulo representative office, is responsible for meeting the credit needs of corporate customers in Brazil. He joined the bank in 1980.

* * *

Jack N. Macholl has joined Colonial Bank and Trust as assistant vice president and manager of the marketing department.

Mr. Macholl comes to Colonial Bank from the Federal Reserve Bank where he served in the marketing and customer services department.



J. MACHOLL

Joins Skokie Bank

Paul A. Hartmann has joined the First National Bank of Skokie as vice president in the commercial loan department.

Prior to joining the bank, Mr. Hartmann held a similar position at the Aetna Bank in Chicago. His extensive experience includes commercial loan experience at the Bank of Elk Grove, Northwest National Bank and Merchandise National Bank, both in Chicago.



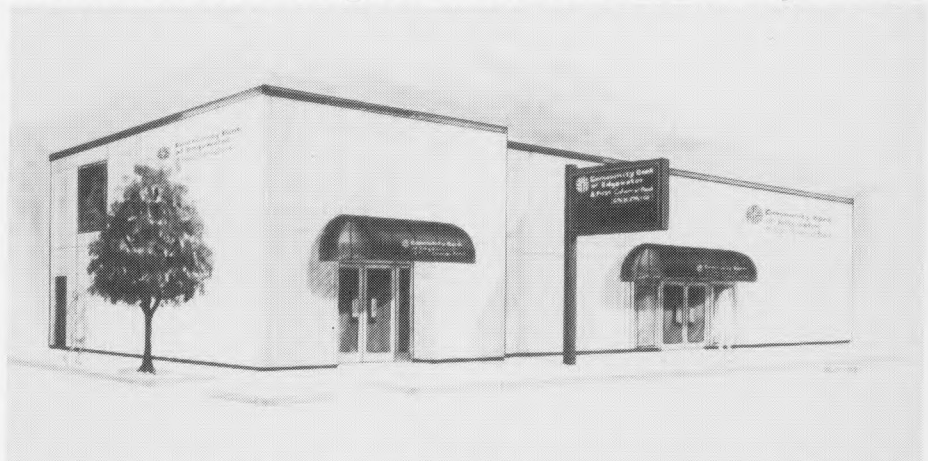
P.A. HARTMANN

Elected in Aurora

Susan Snell Kaufman-Horwitz has been elected to the Aurora National Bank of directors. The expanded board now has 15 members.

Ms. Kaufman-Horwitz is director of planning at Aurora University.

Renovation Begins For Community Bank



COMMUNITY Bank of Edgewater, Chicago has embarked upon an extensive renovation of its main banking facility. Plans include interior and exterior renovation and the installation of a CASH STATION/CIRRUS ATM. Additional teller stations and expansion of the mortgage servicing area are also included. The renovation should be completed by September.



NEW officers for the Wisconsin Bankers Association are, from left: Pres.—**Rolland J. McClellan**, pres., Valley Bank, Janesville; Immed. Past Pres.—**Dean A. Treptow**, pres., Brown Deer Bank; Vice Pres.—**Richard P. Klug**, chmn., F&M Bank, Menomonee Falls, and Treas.—**Thomas L. Schiefelbein**, pres., Security Natl., Durand. **RIGHT**—**Lee Gunderson**, partner, Arthur Young, Inc., New York told bankers to look to the future “for opportunities to build strong banks.”



Wisconsin Bankers Invade New Soil

By **ROBERT CRONIN**
Associate Publisher

THE WISCONSIN Bankers Association hosted its 90th Annual Convention last month, but one thing was missing — Milwaukee. Since the beginning of the WBA, Milwaukee has always been the site of the annual convention. This year's convention was held in Green Bay, and as WBA Past President Dean Treptow said, “Wisconsin bankers are breaking new ground by moving the convention to Green Bay.

“This city stands on a rich and proud history and we, as bankers, are compelled to step across this threshold into an environment of new banking structure, changing markets and expanding competition,” he said as he related the move to the challenges facing the banking industry today.

Although the convention had many highlights, the election of officers for the 1986-87 term brought new faces into the ranks of the WBA. Elected president of the association was Rolland J. McClellan, president of the Valley Bank, Janesville. Mr. McClellan succeeds Dean A. Treptow, president of the Brown Deer Bank. Mr. Treptow will continue to serve on the WBA Executive Council.

Richard P. Klug, chairman of F &

M Bank, Menomonee Falls was elected vice president. Taking over the treasurer's position will be Thomas L. Schiefelbein, president of Security National, Durand. Bryan K. Koontz will continue as executive director of the association, which is headquartered in Madison.

Bankers and spouses had the opportunity to become instant Green Bay Packer football fans. First Wisconsin Banks held its annual reception at the Packer Hall of Fame. But, if football wasn't your game, then you could take a cruise on an authentic paddle boat or take a tour of Heritage Hill State Park. But if you came for business, then the general sessions supplied your needs.

After a warm welcome from Mayor Sam Halloin of Green Bay, the general session was called to order. The first speaker was Lee Gunderson, partner, Arthur Young, Inc., New York, but maybe better known for his positions as president of the WBA in 1975 or his term as president of the ABA in 1980. His presentation, “Banking Opportunities in a Changing Environment,” instructed and informed the large crowd.

Mr. Gunderson told bankers “you must look to the future and identify the opportunities to build strong banks in a challenging and changing environment.” Since the WBA recently adopted its first interstate banking bill, act 325, Mr. Gunder-

son commented “this legislation, if used properly, can result in stronger competitive positioning, additional earnings opportunities and broadened service products for your customers.”

To strengthen the fee income side of banking revenues, Mr. Gunderson suggested an increase in this particular area on existing and new bank products and services. “Wisconsin banks are below the national average on generating fee income,” he said “and each bank should develop a framework for determining how realistic current fees are.”

In his conclusion, Mr. Gunderson capsulized the entire theme and feeling of the convention. He said, “The future of banking is ripe with opportunity. Sound management practices, combined with a continuing commitment to effectively serve the financial needs of your customers will assure your ability to be part of that future.”

“Economists and financial analysts have concluded, based on their quantitative models and their most recent experiences that the future doesn't work,” said Louis A. Holland, a founding partner of the Chicago firm under his name, who gave a presentation on the market and financial future of our country.

Mr. Holland said we can look forward to specific structural changes that include: 1. Demographic shifts benefiting the consumption - investment relationship. 2. Real energy prices have declined. 3. Productivity is returning to its historical trend. 4. The country is shifting politically to the right. 5. American history is be-



LEFT—Newly elected WBA Pres., **Rollie McClellan**, and **Sander Vanocur**, ABC News Correspondent, visit before the general session. RIGHT—**Lou Holtz**, head football coach, University of Notre Dame captured the audience's attention with his presentation.



LEFT—First Wisconsin Natl., Milwaukee, hosted its annual reception at the Green Bay Packers Hall of Fame. Greeting guests were, from left: **Roger L. Fitzsimonds**, pres., and wife **Lee**; **John Becker**, exec. v.p., and wife **Bonnie**, and **Don Kramp**, 1st v.p. and wife **Phyllis**. RIGHT—General session speakers, left, **Louis A. Holland**, partner, Hahn, Holland & Grossman, Chicago, and Mayor **Sam Halloin**, Green Bay, with Immed. Past Pres., **Dean A. Treptow**.

coming more competitive.

In his conclusion, Mr. Holland named some important factors of the current equity and financial markets: 1. The new Senate version of the tax bill should be bullish for stocks and bonds. 2. Suggested lower interest rates because of soft economy and the oil, farming and consumer problem of debt. 3. Lower dollar expected - still bullish. 4. Energy prices should stabilize. 5. Gold will be a relatively poor performer.

Other outstanding presentations were given by U.S. Congressman

Toby Roth, 8th District, who called for Congress to "set some rules of the road" when it comes to banking. He encouraged bankers to key in on profitable diversification through real estate and financial planning. Mr. Roth stressed the importance of bankers uniting on issues that divide the industry now, because "time is running out," he concluded.

The final general session included a "worldly presentation" from Sander Vanocur, ABC News Correspondent. His topic was "A View from Washington," in which he talked about current administration and

their future.

To conclude the convention, Lou Holtz, head football coach, University of Notre Dame told the packed assembly "there are three rules a person must obey to have a good self image. 1. Do what is right and avoid what is wrong. If you're not sure, read the Bible. 2. Do the best that you can possibly do. 3. Treat others as you would like to be treated." In applying his concept to banking, Mr. Holtz said, "you have to overcome adversity to be successful, and whether you think you can or can't, you're right." □

Promoted in West Allis

Three have been promoted at Central Bank in West Allis.

Edward F. Lentz has been named senior vice president and cashier. He has been with the bank for 17 years, most recently serving as vice president and cashier.

Kenneth W. de Languillette has been promoted to first vice president. He is a 20-year employee of the

bank, most recently serving as vice president.

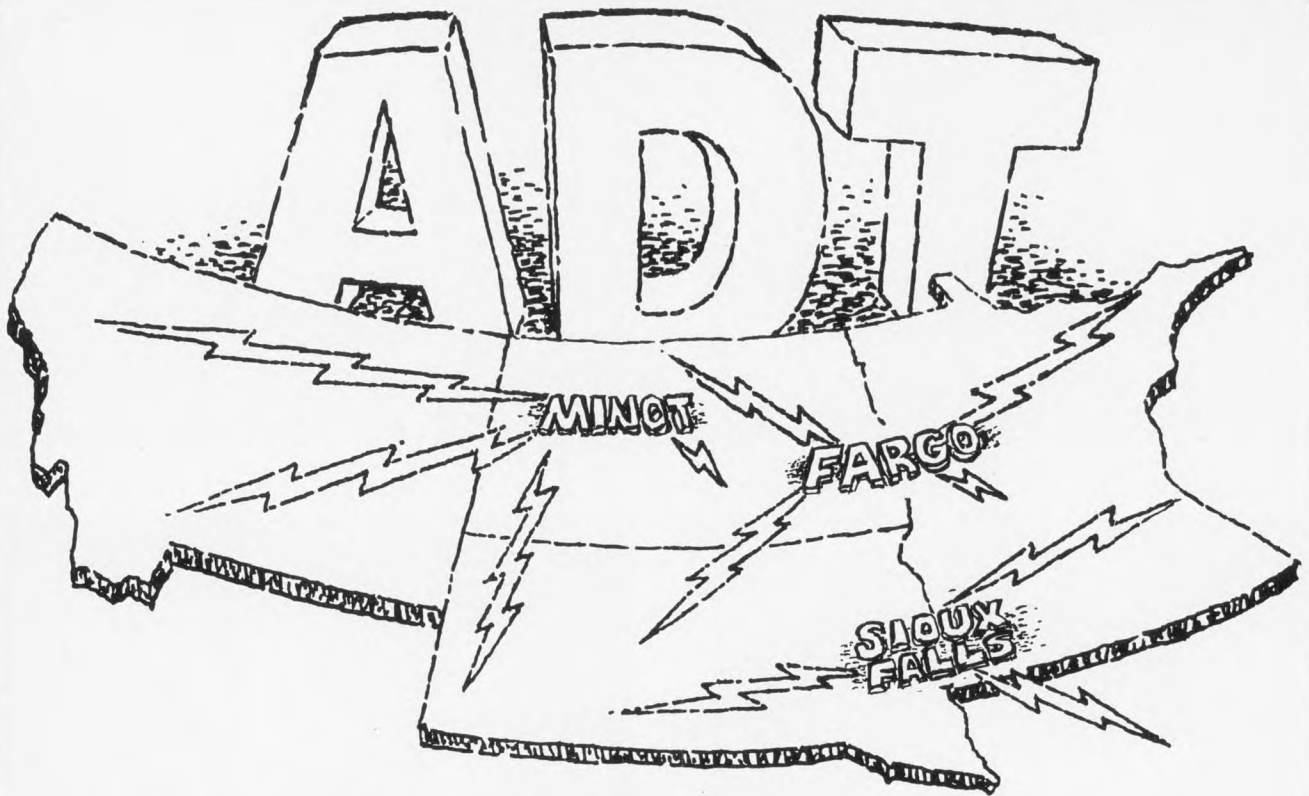
In addition, Richard G. Ziebell has been named vice president. He started at the bank five years ago, and most recently was an assistant vice president.

Approved in Menomonee Falls

Richard P. Klug, chairman, president and CEO of F&M Financial

Services Corporation has announced that the Menomonee Falls corporation has made application and been approved as a listed company on the National Association of Securities Dealers Automated Quotation system. F&M's assigned symbol is FMFS on this over the counter market.

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



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Roy Terwilliger of Eden Prairie Is Selected as MBA President, 1986-87

By **BEN HALLER, JR.**
Publisher

NEARLY 1,000 bankers and spouses gathered at the Radisson St. Paul Hotel June 2-4 to examine "Strategies for Success" at the 96th annual convention of the Minnesota Bankers Association.

Many of them arrived early to take part in the Men's and Women's Golf Tourneys on Monday, or to attend the full dozen special interest sessions presented Monday afternoon.

MBA President Clinton D. Kurtz, president of Citizens State Bank, Norwood, presided at the formal sessions of the convention. Mr. Kurtz and the 1986-87 officers are pictured above.

The first day was capped with the traditional "First Night Hospitality," hosted by the four large correspondent bank groups in the Twin Cities—American National Bank & Trust Co., St. Paul; First Bank Minneapolis/St. Paul; Marquette Bank Minneapolis, and Norwest Corporation.

The second day got underway at

an early hour with the Fellowship Breakfast starting at 8:00 a.m. After entertainment by Jerry Rubino and Adelphoi, the program featured Dr. Sidney Rand, former president of St. Olaf College and former Ambassador to Norway. In his brief address, Dr. Rand stressed the value of meditating on three words or expressions: "We" is greater than "I"; "Thank you" always is better than "give me," and "Serving" is an important part of "leading."

The first general session immediately followed and the first order of business was election of officers, noted above. The 14 resolutions adopted reflected clearly the current problems and trends in banking. The first reaffirmed MBA's "commitment of service to agriculture," and urged "the immediate adoption of a farm policy designed to stabilize farm collateral values." The second resolution was to "urge absolute repeal of Minnesota's mandatory farm mediation law," saying it is "costly, confusing, complicated and time-consuming."

Other resolutions called for establishing a state central filing system to avoid the problems of the elimina-

OFFICERS of the Minnesota Bankers Association for 1986-87: Seated, Pres.—**Roy W. Terwilliger**, pres., Suburban Natl., Eden Prairie, and Immed. Past Pres.—**Clinton D. Kurtz**, pres., Citizens State, Norwood. Standing, from left: Treas.—**R. James Gesell**, pres., Cherokee State, St. Paul; Exec. V.P.—**Truman Jeffers**, Minneapolis, and 1st Vice Pres.—**James R. Jorstad**, pres., Citizens State, Hayfield. Not present was MBA's new 2nd V.P. **A. William Sands**, pres., Western State, St. Paul.

tion of the ag lien exception; urged reform of the Bankruptcy Code; urged closing of the non-bank bank loophole; supported Tax Reform; called for preservation of a decentralized banking system, continuation of SBA guaranteed loans, and the savings bonds program.

Two special resolutions recognized MBA leaders Mark Olson and Truman Jeffers. Mr. Olson, President, Security State Bank, Fergus Falls, was congratulated and supported as he looks ahead to becoming president of the ABA at the convention in October. The other resolution was to congratulate Truman Jeffers and his wife, Leila, for Jeff's 25 years of service to the MBA, the past 16 of them as executive vice president—the longest any one individual has held that position of leadership.

Other recognition was accorded to Truman and Leila Jeffers throughout the convention. A special commendation and gift was presented at the Tuesday night banquet; Jeff was given special recognition at the Pioneer Club luncheon, and Norwest Corporation presented an engraved silver tray to the Jeffers' during a breakfast Wednesday morning.

The first convention speaker was Dr. Robert Samp, a medical school faculty member from the University of Wisconsin at Madison. His addresses are interspersed with plenty of humor and homespun philosophy. He took issue, in a pleasant way, with many publicized fad diets, as well as "medical journals like *Reader's Digest* and *National Inquirer*," who feature the "disease of the month." He took issue with "the office slob" who is the one who always brings gloom and doom to every conversation, and Dr. Samp suggested instead that "an improved attitude can do far more for you healthwise," while the gloom and doom person's "talk can hurt more than loads of cholesterol." Get rid of the



NORWEST BANKS hosted their annual Master's Golf fun night as the focal point of their hospitality room. On hand to greet guests, sign autographs and do his best to give putting advice to mostly "weekend warriors" of the links was the very personable, affable long-time PGA star, **Lee Elder**, fresh from a tournament in Japan. At left, Mr. Elder autographs his photo for **Jim Campbell** (left), pres., Norwest Bank Minneapolis, while **K.C. Gay**, pres., Sturgeon Lake State looks on. At right, Mr. Elder gives a putting lesson to **Dick Kovacevich**, vice chmn. of Norwest Corp. and c.o.o. of the banking group. Helping make Dick nervous were **John Sampson** (center rear), sr. v.p., Norwest Bank Mpls. and **Mr. Campbell**.

"office pest," he advised.

Dr. Samp used slides and verbal illustrations in his fast-paced talk to show that as people advance in age their mental outlook can become more positive. He urged that each person look to "Total Well Being," which, he said, "has nothing to do with firmness of buns, breasts or biceps, but about the soundness of mind." Dr. Sump's delightful, mental health-oriented talk made a hit with the audience and is available to anyone on a series of tapes from his offices at the University of Wisconsin.

The special interest sessions of Monday were repeated Tuesday afternoon. They covered a variety of topics: Managing for Profitability, Starting a Trust Department, Winning Strategy, Stress Management, BancInsure, Deferred Compensation, D&O, Time Management, Loan Review and Risk Rating, Customer Profitability Through an Integrated System, Tax Planning for Loan Write-Offs, Laws and Regulations Update, 401(K) Salary Savings Plan.

The second general session guest speaker was Dr. Michael Boehlje, head of the department of agricultural and applied economics of the College of Agriculture at the University of Minnesota, St. Paul. Dr. Boehlje joined the UofM staff this year after many years of teaching at Iowa State University. Dr. Boehlje's talk was reviewed in the June 16 issue of the *NORTHWESTERN BANKER Weekly Newsletter*.

Concluding speaker Dr. Paul Nadler, professor and economist at Rut-

gers University, East Brunswick, N.J., said "Reagan's luck" has been phenomenal. Despite a huge deficit and other problems, the ag crisis has given the rest of the country lower food prices, the energy crisis has benefitted everyone else in the nation, and technology changes have been of benefit.

He said community banks will survive in the face of increasing competition because the local bankers know their communities and give people the service they need. "The best news for a Minnesota bank," he said, "is to have Citicorp or Chase move across the street." He added that a fast "No" is more appreciated by a loan applicant than a slow "Yes" from a faraway office. Speaking of consolidations of banks, as predicted by many savants in recent years, Dr. Nadler stated, "Remember, there's never been a takeover where 51% of the stockholders didn't want it!"

Dr. Nadler closed with his now famous comments on "What's right with America...Why do so many foreigners want our money or want to move here, if the country is so bad? How many people burrow under the Berlin wall—east-bound! When a ship arrives in Cuba, who gets off?"

In his President's Report, Mr. Kurtz referred to the "achievements and frustrations" of the past year. He thanked several bankers who had done yeoman work for MBA on a continuing basis. Les Peterson, president of Farmers State Bank, Trimont, has chaired the Ag Task Force, and Jim Gowan, president of

First National Bank, Chaska, chairs a Site Task Force studying whether MBA should continue at its present location, expand there, or move. Mr. Kurtz also introduced the most recent addition to the MBA staff, Ray Murray, CPA, who is MBA financial director.

John Ingebrand, president, Kanabec State Bank, Mora, gave a brief report on the Strategic Planning committee, of which he was chairman. A printed report was given to each delegate.

Mr. Jeffers, in his report to MBA, noted the changes in the 25 years he has served the association. "Your association is more complex," he stated, "in response to your changing needs. Our constant guideline should be Excellence, and that means a commitment on our part." He discussed several areas of banking issues—federal legislative activities, state legislation, competitive factors. He mentioned three of the 17 items contained in the Strategic Plan: 1. Comprehensive education at the lowest feasible cost and at the most convenient locations. 2. MBA direct service to member banks to assist them in their needs. 3. Adoption of the plan and a commitment to it. In closing, Mr. Jeffers quoted the late Willis Alexander, who for 16 years was executive vice president of the ABA: "Legislation is a process, not an event." In the same way, Mr. Jeffers said, "Commitment is a process, not an event."

In his acceptance remarks, Mr. Terwilliger called for banking unity and the need for Minnesota bankers to "provide leadership" not only at



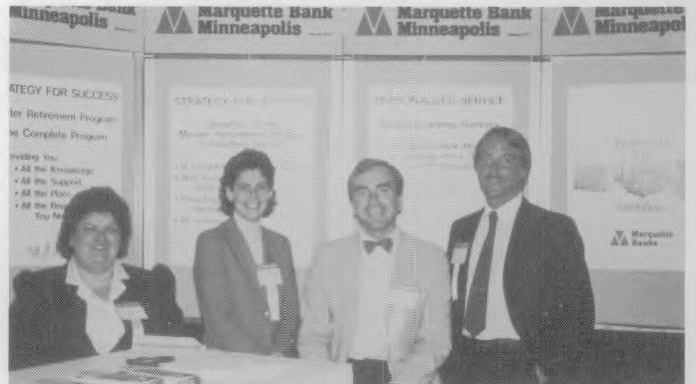
PICTURED at Marquette Bank Minneapolis reception were, from left: **Dick Holmes**, a.v.p.; **Lois Broderick**; **Carol Holmes**; **Mike Broderick**, pres. South Dakota Bkrs. Assn. and pres., First American Bank, Canton; **Bill Klein**, v.p., Marquette, and his wife, **Jane**, and **Carole** and **Bill Addington**, v.p., Marquette.



ENJOYING hospitality at First Banks reception were, from left: **Mike Kelley**, sr. v.p., Shelard Natl., St. Louis Park; **Glenn Heitzman**, pres., 1st Natl., Cold Spring; **Al Highum**, v.p., First Banks; **Herb Lund**, pres., Security State, Albert Lea, and his wife, **Mona**; **Sally Laux**, v.p., and **John Gilpin**, v.p., both with First Banks.



PICTURED at American National of St. Paul hospitality quarters were, from left: **Jim Russell**, v.p. of host bank, and his wife, **Kay**; **Sue** and **Bob Hoodecheck**, sr. v.p., Winona Natl.; **Bob Jacobson**, v.p., American Natl.; **Bruce Nystrom**, pres., Riverside Bank, Minneapolis, and **Dick Flesvig**, a.v.p., host bank.



CONVENTION registrants had the opportunity to visit 35 product and service displays in the exhibit hall, two of which are pictured here. LEFT—**Bill Jackson**, pres. of Banker's Equipment Service, Inc., shows a new model bank machine to convention chairman **Gerald A. Bilski**, sr. v.p., Midway Natl., St. Paul. RIGHT—Discussing services offered by Marquette Bank Minneapolis were **Michele Lecuyer**, **Sandy Hagan**, **Marlin Rothe** and **Mike Hay**.

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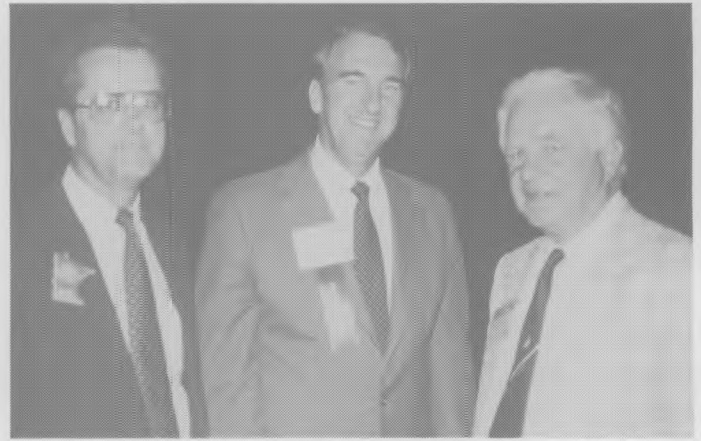
The premier choice.

the state level but in each community. He is impressed, he said, by bankers talking more forcefully about what's right, for this sends clear signals that our industry is optimistic about the future, he added. Mr. Terwilliger said if he were to

choose a theme for the coming year, it would be based on a statement made by retired Minnesota banker Cliff Sommer, Owatonna, who said, when he was ABA president some years ago, "If we remember the public's interest, banking will be just

fine."

The annual banquet Tuesday evening featured the installation of new officers, followed by entertainment furnished by singer Brenda Byers, after which dancing continued to a late hour. □



FIVE BANKERS were inducted into the MBA Pioneer Club. Left to right in front row are: **A.E. Ritt, M.D.**, chmn., Midway Natl., St. Paul; **Chester Eggen**, dir., Richfield B&T; **Ruth Danielson**, pres., Atwater State; **A. Dan Fiala**, chmn., Citizens State of Milaca-Ogilvie, and **V.S. Sather**, dir., Franklin State. In back row, from left, are: MBA Pres. **Clint Kurtz**; Pioneer Club Pres. **Pat DuBois**, chmn., First State, Sauk Centre, and MBA Exec. V.P. **Truman Jeffers**. Two inductees unable to be present were **R.W. Perras**, dir., Red Lake County State, Red Lake, and **Howard B. Williams**, dir., Glenwood State. (Ben Haller, Jr., publisher, NORTHWESTERN BANKER, was made an honorary member of the Pioneer Club for 40 years of service to the industry.)



LEFT—Truman and Leila Jeffers (center) were congratulated at the annual banquet on Jeff's 25 years of service to the MBA and presented with a gift. Pictured with them are MBA Pres. **Clinton Kurtz** (left) and **Ken Wales**, sr. v.p., First Bank Minneapolis, who hired Jeff 25 years ago when Ken was MBA's exec. v.p., the job Jeff succeeded to 16 years ago when Ken joined First Bank. **RIGHT—Speaker Dr. Mike Boehlje** visits with Mr. Kurtz prior to the second general session.



A TRADITION carried out for many years by Norwest Bank Midland has been the presentation of paintings to banks who have celebrated a long-term anniversary relationship with the Minneapolis bank. Two were honored during the breakfast this year. Above, **Ernest Pierson** chmn./CEO, Norwest Bank Midland, presents Les C. Kouba wildlife paintings to **Eldon Matson** (left), chmn. of State Bank of Blomkest (35 years as a correspondent) and to **Charles L. Traxler** (right), pres. of 1st Natl., Le Center (40 years as a correspondent).

Purchase Agreements For Four First Banks Signed

Purchase agreements have been signed for the sale of four First Bank locations. They are Blue Earth and Waseca, Minn., and Highmore and Miller, S.D. The sales are pending regulatory approval.

A group composed of employees, directors and community investors will buy First Bank Blue Earth, which had year-end assets of \$33.5 million.

First Bank Waseca, which had assets of \$42.3 million at year-end, will be purchased by three directors, four employees and representatives who have had business interests in Waseca, including Neil N. Fruechte, bank president.

First Bank Highmore and the Miller office of First Bank South Dakota will be purchased by Howard J. Peterka, president of the Miller office, as well as six other bank officers at Miller, five bank officers from Highmore and all directors at both locations.

Specific purchase terms have not been disclosed.

Pres. Named in New Ulm

Gerald Fesenmaier has been appointed as president of State Bank & Trust Company of New Ulm.

Mr. Fesenmaier has previously served as a vice president of commercial State Bank in St. Paul; First Brookdale State Bank, Brooklyn

Center, and most recently, executive vice president of the St. Cloud National Bank & Trust Company.



G. FESENAIER

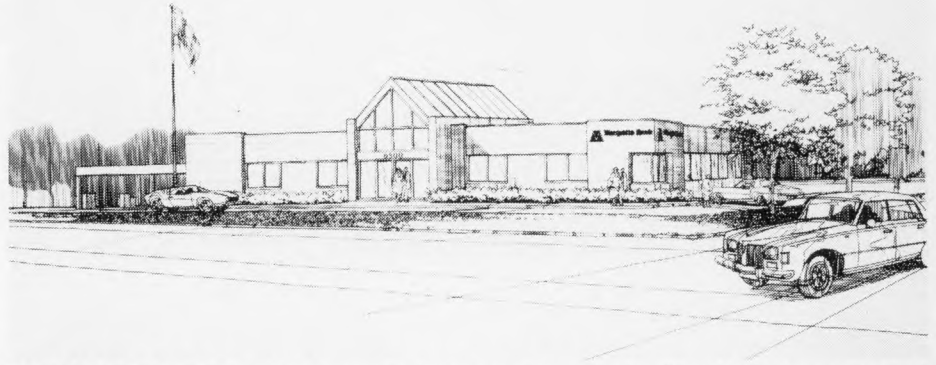
BancInsure Employs Two

The Minnesota office of BancInsure has announced that B.A. "Bernie" Carlson, an experienced bank bond field underwriter, has joined the company. Mr. Carlson comes to BancInsure after 38 years with Transamerica Insurance Co.

In 1960, Mr. Carlson joined Transamerica and has been working with financial institution bonds and grain warehouse bonds for 26 years.

His assistant at Transamerica, JoAnn LaSota, has also joined the

Marquette Bank Edina Plans Renovation



MARQUETTE Bank Edina has begun major renovation of its facility at 6500 France Ave. S. The renovation, which is expected to be completed in December 1986, includes a complete new facade, a drive-in facility that will almost double drive-in capacity, and a new vaulted roof and landscaping. Interior changes will include a remodeled customer waiting area, a training room which will be made available to the community for meetings as well as a new cathedral ceiling and stairway to the lower level. Plans also include an innovative safe-deposit area and safe-storage area.

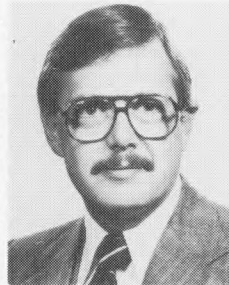
Minnesota BancInsure staff. She is employed as administrative assistant.

First Bank System Names Managing Director

Larry L. Gilb has been appointed managing director of First Bank System's North/Central Minnesota region.

Mr. Gilb will continue in his capacity as president and CEO of First Bank Duluth. He succeeds James H. Claypool, who will retire July 31.

He has been associated with First Bank System since 1971. In 1981, he was elected president of First Bank Duluth and has served as CEO since 1983. In February, he was chosen to serve as division director of the Northern Minnesota region.



L.L. GILB

Four Advance in St. Cloud

The First American National Bank of St. Cloud has announced the promotion of four employees.

John E. Herges has been promoted to senior vice president-commercial loans. He joined the bank in 1973.

Janet K. Cotton, Brian H. Myres and Theresa S. Pierskalla have been

promoted to assistant vice presidents. Ms. Cotton, who has been with the bank since 1975, will be in the human resources department. Mr. Myres will be working in the retail banking department. Having joined the bank in 1967, Ms. Pierskalla will be in operations.

Named in Worthington

Norwest Bank Worthington has appointed Steven C. Hull senior vice president in charge of credit administration. He was previously vice president and manager of Norwest Agricultural Credit, Inc., in Spencer, Ia.



S.C. HULL

Mr. Hull worked with the Production Credit Association in various lending positions in Emmetsburg, Harlan and Spencer, Ia., before joining Norwest Bank Des Moines in 1984. He transferred to Spencer later this year.

Named in Young America

Jerald Tiggelaar has been named vice president in charge of the commercial loan department of the State Bank of Young America. He formerly was president of the Norwest Bank, Slayton, and prior to that was with the Norwest Bank of Worthington.



The board of Norwest Corporation has elected two new executive vice presidents in the company's banking group. They are **Robert C. Brown**, president of Norwest Capital markets, and **Richard D. Schneider**, recently appointed chief credit officer for the banking group. Both are based in Minneapolis.



R.C. BROWN

R.D. SCHNEIDER

Before joining the corporate staff in 1984, Mr. Brown was in charge of consumer banking, funds management and capital management and trust groups at Norwest Bank Minneapolis.

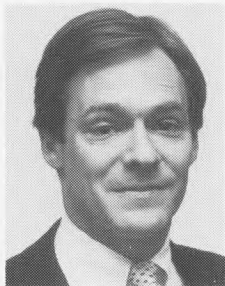
Mr. Schneider was vice chairman of Norwest Bank Minneapolis. He has been with the Norwest organization since 1964.

* * *

First Bank St. Paul has promoted **Michael E. Traeger** and **James W. Widen** to vice president. In addition, **Jack Hauser** has been named head of the private capital division at the bank.

Mr. Traeger, who joined First Banks in 1980, had been assistant vice president of special loans commercial.

Mr. Widen joined First Banks in



M. TRAEGER



J. WIDEN

J. HAUSER

1974 and was assistant vice president of personal banking prior to his promotion.

Mr. Hauser, who had been a vice president in the financial institutions division, joined First Banks in 1983.

* * *

First Bank System has announced that **Michael G. Stout** has joined the FBS Capital Markets Group as executive vice president of taxable securities trading, underwriting and sales.

Mr. Stout had previously been a vice president in taxable fixed income capital markets with Morgan Stanley & Company.

* * *

First Bank System has announced the merger of the bond departments of First Bank Minneapolis and First Bank Saint Paul into an FBS division called the FBS capital markets group. The new group, which includes the foreign exchange operations of the Minneapolis-based company, also plans to open a foreign securities subsidiary in London this summer.

As a combined entity, the FBS

capital markets group processes approximately 1,600 trades per day and holds \$15 billion in securities safekeeping for customers.

The foreign exchange arm of the group, which was formerly part of the International Banking Group, has been renamed the International Money Markets Department. With dealing units in Minneapolis and London, the department serves the foreign exchange needs of many European and New York-based companies as well as those in the central U.S.

The company provides financial services through a number of domestic and international subsidiaries and offices, including trust, international banking, commercial and agricultural finance, data processing, insurance brokerage leasing, mortgage banking, venture capital, merchant banking and discount brokerage services.

* * *

Scott A. Johnson and **Mark Boeyink** have joined Western Bank and Insurance Agency.

Mr. Johnson is manager of the new Oakdale Office. His responsibilities will include most phases of planning, implementing and opening the full-service bank. He moved to Western from Midway National Bank where he managed the personal banking area. Prior to that, he worked at ITT Thorp.

Mr. Boeyink is assistant vice president in charge of marketing and strategic planning. Prior to joining the bank, he worked at First Bank Minneapolis as strategic planning officer.

* * *

James J. Renier has been elected to the board of First Bank System, Inc., Minneapolis. He is vice chairman of Honeywell Inc., Minneapolis.

Christopher Smith and Jeanne M. Voigt have been promoted to vice president by the First Banks.



C. SMITH

J.M. VOIGT

Mr. Smith, promoted to vice president in the FBS capital markets group, joined the bank in 1980.

Ms. Voigt, promoted to vice president in FBS capital markets group operations, also joined the bank in 1980.

* * *

Victor P. Reim, president and CEO of The Commercial State Bank in St. Paul, has announced the appointment of **Bruce N. Davis** as a vice president in the commercial lending department.



B.N. DAVIS

Mr. Davis, formerly with First Bank Systems, is a graduate of St. Cloud University.

* * *

Marquette Bank Minneapolis has named **John R. Fox** as a vice president of trust branch services, a new division of the bank's trust services group. In addition, Mr. Fox will administer several client accounts of the trust services group.

Prior to joining the bank, he was vice president and senior trust officer at Fidelity Bank Northeast. He was with the bank 17 years. Before that, he served as a trust officer at Central Bank of Montana in Great Falls.

* * *

Kevin W. Goedel, application support representative, and **JoAnn Cotroneo**, human resources assistant-systems, have joined Bremer Financial Services, Inc.

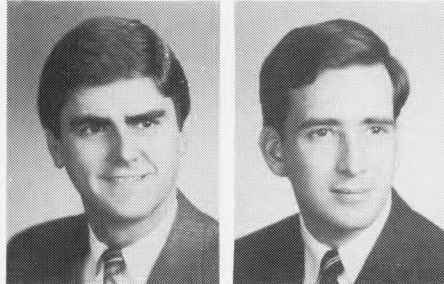
Mr. Goedel had been with First Bank Minneapolis, FBS Information in a variety of accounting and data processing positions. Ms. Cot-

roneo had been with Norwest Bank St. Paul in a variety of accounting and human resources positions.

* * *

Norwest Bank Minneapolis has promoted **Lloyd W. Simms** and **John R. Slifer** to assistant vice presidents as a part of a move to intensify service to financial institutions.

Mr. Slifer's main areas of responsibility are with insurance, commercial finance, leasing, brokerage and other large financial institutions, while Mr. Simms specializes in serving other non-bank financial service companies and bank-holding companies.



L.W. SIMMS

J.R. SLIFER

Mr. Simms joined the organization in 1983. He previously served as vice president and cashier of the First National Bank of the Lakes in Navarre, and of Town and Country Bank in Maplewood.

Mr. Slifer joined Norwest Bank Old St. Anthony in 1981. He worked with other banking organizations in the Twin Cities from 1983 until joining Norwest Bank Minneapolis as a commercial banking officer in 1985.

* * *

Promoted in Roseville

The Roseville Bank has announced the promotion of **Robert L. Grasley** to vice president of the data processing department.

Mr. Grasley has been with the bank since 1985 and previous to that held a similar position in Marietta, Oh. where he was president of the data center for American BancData.



R.L. GRASLEY

Two Named in St. Cloud

Two have been promoted to officer positions at Zapp National Bank, St. Cloud.

Richfield Mgr. Wins Award



AWARDED the Perry R. Clark Award for outstanding contribution to education was **Marge Brown** of Richfield Bank & Trust Co. She was given the award at the American Safe Deposit Association's annual educational conference held in Indianapolis, Ind. recently. Ms. Brown is the bank services manager in charge of the safe deposit department for the bank.

Joe Mareck has been named installment loan officer. He has been with the bank for three years. **Michelle Baranick** has been named loan review officer. She has been associated with the bank for one year.

Northwoods Bank Relocates

Northwoods Bank of Minnesota has received approval from the Department of Commerce to relocate its charter location from Dorset to East Highway 34, Park Rapids.

Named in Northfield

Peggy Hoffman has been promoted to assistant vice president of First Bank Northfield.

She previously served as personal banking manager. Ms. Hoffman began her banking career in 1978 as a loan assistant at Kanabec State Bank in Mora.



P. HOFFMAN

She joined First Bank Northfield in 1980 and has held the positions of secretary and personal banking officer.

South Dakota

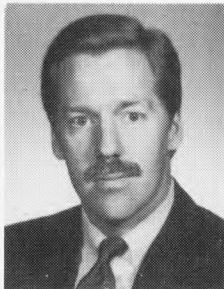
B.M. Broderick, Jr., pres., Canton
J.M. Schwartz, exec. v.p., Pierre



First Bank Names Three

First Bank of South Dakota has added one new officer and promoted two.

Thomas J. Flynn has been elected senior vice president and trust officer, in the trust services division. He joins the bank from Brenton Banks of Iowa where he has served as head of the trust division for the past five years. Prior to that, Mr. Flynn was head of the trust department at Norwest Bank in Mason City, Iowa from 1978 to 1981. He practiced law for two and a half years prior to entering the banking profession.



T. FLYNN

Jerry L. Robinson has been elected data center manager of the regional operating center in Sioux Falls. He joined First Bank System Information Services in the Sioux Falls Data Center in 1970 as a computer operator. In 1980 he was promoted to night supervisor and was named item entry supervisor in 1985.

Lois I. Callis has been elected operations officer at the regional operations center in Sioux Falls. She began her career with the First Bank System at First Bank Madison in 1974 as a bookkeeper. After holding various operational positions, she was promoted to head of bookkeeping and proof in 1980. In 1985 she was named operations supervisor. Ms. Callis transferred to the South Dakota Regional Operating Center in November of last year as exception items supervisor.

Purchase Agreement Signed

Purchase agreements have been signed for the sale of First Bank

Highmore and the Miller office of First Bank South Dakota.

Howard J. Peterka, president of the Miller office as well as six other bank officers at Miller, five bank officers from Highmore and all directors at both locations will purchase First Bank Highmore and the Miller office. Other employees will be able to purchase a percent of the ownership at later dates.

First Bank Highmore had year-end assets of \$27.4 million and the Miller office had \$41.1 million in year-end assets.

Specific purchase terms have not been disclosed.

Three Elected in Sioux Falls

At Western Bank-West in Sioux Falls, three new officers have been elected.

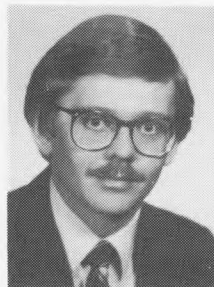
Marlys Donner and Diane Hovda have been elected personal banking officers. They bring a combined total of 24 years banking experience to their new positions.



M. DONNER



D. HOVDA



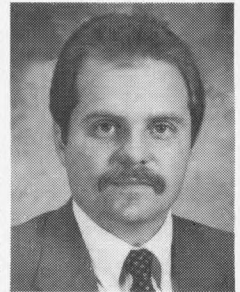
R. JORGENSEN

Randy Jorgensen has been elected commercial credit officer. He joined the bank in 1984, following several years with the Comptroller of the Currency as a national bank examiner.

WISCONSIN NEWS...
(Continued from page 25)

V.P. Named in Eau Claire

Gregory L. Gill has been appointed vice president and chief financial officer at First Wisconsin National Bank of Eau Claire.

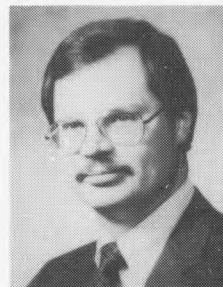


G.L. GILL

Mr. Gill's 11-year career with the First Wisconsin Corporation began in 1975, when he joined the First Wisconsin Mortgage Company as an accountant. In 1978, he moved to the First Wisconsin Corp. as manager of the holding company's accounting department. He was promoted to accounting officer in 1980. From 1981 to the present, he has served in a staff liaison position in the area of corporate unit bank administration.

Changes Made in Shawano

Michael A. Hall, president of Citizens State Bank, Shawano, has been elected chief executive officer by the bank's board. Mr. Hall joined the bank in 1983 as senior vice president, and was appointed president in 1984.



M.A. HALL



J.D. WOLF

Joseph D. Wolf recently joined the bank as a consumer loan officer. He was formerly with First of America Bank Corporation in Ironwood, Mich.

Woodruff Bk. Changes Name

First National Bank of Minocqua and Woodruff has changed its name to "Valley Bank" effective last month. The change includes the adoption of the Valley Bank logo designed for all banks affiliated with Valley Bancorporation.

A bank representative said the change will identify the bank as a member of Valley Bancorporation, with April 30, 1986, assets in excess of \$2 billion.

room services were first-rate.

Elections and Awards

NDBA President William M. Sanger, president of First Bank of North Dakota, Wahpeton, capped a busy year with a superb convention program, with the usual professional assistance of NDBA Executive Director Harry Argue and his staff from Bismarck.

Succeeding Mr. Sanger as president for 1986-87 is Harvey Huber, president of Union State Bank, Hazen. Named president-elect is John W. Pierson, president of Norwest Bank, N.A., Minot. The vice president-treasurer is Roger Berglund, president of Dakota Western Bank in Bowman. Harry Argue continues as executive director.

Mr. Sanger was later elected as North Dakota's delegate to the ABA Banking Leadership Conference.

Plaques were awarded to five North Dakota bankers for years of service to the industry. A plaque for 50 years of service was presented to Inez V. Madden of Farmers State Bank, Ypsilanti. Plaques for 40 years of service went to Thomas A. Dawley, First State Bank, Munich; Harry A. Lenz, First National Bank & Trust Co., Dickinson; Daniel J. Lessard, First American Bank & Trust Co., Grafton, and John C. Phillips, First American Bank of Richardton.

Business Session

The business session Tuesday started off appropriately with the annual Prayer Breakfast, which was addressed this year by Dr. Kevin Leman, Christian psychologist from Tucson, Ariz. Dr. Leman quoted from several of the books he has



NDBA officers for 1986-87 are, left to right: Immed. Past Pres.—**William M. Sanger**, pres., First Bank, Wahpeton; Pres.—**Harvey H. Huber**, Union State Bank, Hazen; Pres.-Elect—**John W. Pierson**, pres., Norwest Bank Minot, N.A.; Exec. Dir.—**Harry J. Argue** (seated rear), Bismarck, and V.P.-Treas.—**Roger Berglund**, pres., Dakota Western Bank, Bowman.

Harvey Huber Named NDBA President

By **BEN HALLER, JR.**
Publisher

WHEN the planning committee for the North Dakota Bankers Association annual convention assured NDBA officials they had everything in hand for the dates of June 9-10 in Fargo, they weren't kidding! Monday, June 9 featured the ladies' and mens' golf tournaments through the morning and afternoon and the weather was ideal—pleasant temperatures and bright sun. Tuesday, June 10 featured a full day of business sessions and again the

weather was ideal—rainy and chilly—while the business program was loaded with talent that drew a full house to each session! Nearly 400 bankers and spouses were registered.

In addition, the Holiday Inn management showed why its motel, with a new high-rise, six-story tower of special rooms and suites, is rated the finest convention facility in the city. The staff did their jobs well, the food service was excellent, and meeting



Mark Olson (left), pres.-elect of the ABA and pres., Security State, Fergus Falls, Minn., chats with NDBA Pres. **Bill Sanger** before addressing the convention. At right, he is visiting with former St. Olaf College classmate **John Pierson**, who is pres., Norwest Bank, Minot, and the new NDBA pres.-elect.



written and lectures he has given around the nation, centering consistently on the need for solid personal relationships within a family. The basis for all these, he said, is the genuine love and respect between husband and wife. He admonished husbands to make their wives, whether homemakers or working outside the home, as their first priority and not to let work build a wall.

The first guest speaker at the general business session was the well-known NBC economic affairs commentator Irving R. Levine. Mr. Levine said, "We're witnessing a rare convergence of a lot of positive elements in today's resurging economy."

Mr. Levine reviewed the delicate fabric that includes a Congressional attack on the deficit. "All these problems," he said, "have a linkage, and they must all be dealt with. There will be no significant drop in unemployment until we have a drop in trade deficits; no trade deficit decrease until there is a drop in the dollar value; no drop in the dollar

value until there is a drop in interest rates; no drop in interest rates until there is a significant drop in government borrowing, no drop in government borrowing until there is a drop in the federal deficit, so one goes full circle to the beginning, which tells us that Congress must cut spending and balance the budget."

Association Business

North Dakota bankers were given a detailed review of BancInsure by four panelists—J. Robert Stassen, BancInsure Minnesota, Bankers Services, Inc., Minneapolis; Truman Jeffers, executive vice president, Minnesota Bankers Association; Diane Alm, NDBA insurance manager, and George W. Lennon, Jr., vice president, BancInsure, Oklahoma City, Okla.

Mr. Sanger gave a brief President's Report during which he noted a few of the positive activities of NDBA the past year. Among these was the NDBA entry into BancInsure, a strong legislative program with the state legislature, a com-

plete set of response for the membership through a series of regulatory bulletins, a new public relations kit for members, filing of amicus curiae in several cases, joining with the North Dakota Centennial Committee in establishing a method to finance the state's 1989 Centennial, and the moving of NDBA headquarters to a location one block from the old offices for larger, improved quarters.

Art Linkletter Speaks

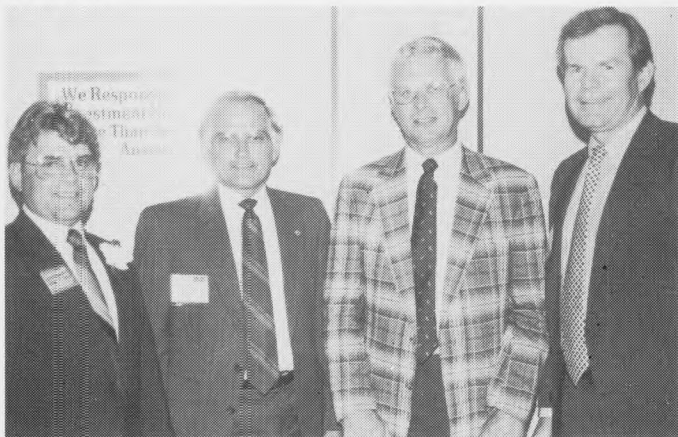
Another bonus speaker for registrants was the indefatigable Art Linkletter, who at the age of 70+ gave another of his entertaining, yet inspirational talks. He said he has been involved in more than 70 business enterprises "and I have learned more from my mistakes than from my successes." He added as encouragement to bankers, "Those who have the elasticity and the capability of coping with change will be successful in the future." He interspersed his program with delightful reminiscences of the cute sayings



LEFT—Mary Pietrzak, Fargo; Joe Lempe, sr. v.p., First Interstate, Fargo; Lenore and Curt Cornelius, pres., First American Bank, Larimore, and Jim Dawson, pres., Dawson Hail. RIGHT—Lee Stenehjelm, Sr., pres., First Internatl. Bank, Watford City; Lee Stenehjelm, Jr., and Larry Eaton, both v.p.s at 1st Natl., Fessenden, and Ralph Trom, pres., Kindred State.



LEFT—Leeann Teske, Mary Pietrzak, Joel Ampe, reg. mgr., all of Bankers Systems, St. Cloud, Minn., greet Ken Recker, exec. v.p., Dakota Bankshares, Fargo. RIGHT—Roger Berglund, pres., Dakota Western, Bowman; Myron Pfeifle, pres., Bismarck State; Les Nesvig, pres., First State, La Moure, and Tom Gunderson, pres., 1st Dakota Financial Services, Inc., Bismarck. All three banks are among a growing number who maintain an Investment Center partnership with 1st Dakota.





LUNCHEON speaker Art Linkletter visits with guests following his address.

and comments he has garnered from visiting on his TV program with thousands of youngsters, then spoke seriously of his continuing commitment to fight drug and alcohol abuse since the tragic death 18 years ago of his daughter. He stressed the need to fill the minds of youth with positive thoughts and what's right, then added, "Things turn out best for people who make the best of the

way things turn out," attributing that quotation to UCLA former basketball coach John Wooden.

ABA President's Address

ABA President-Elect Mark Olson journeyed to Fargo a short distance from Fergus Falls, Minn., where he is president of Security State Bank. In keeping with a positive approach to the industry, Mr. Olson pointed out that while 120 banks failed in the United States last year, the most since the 1930s, "there were 14,000 banks that did *not* fail! Banks have \$15 billion in earnings and \$183 billion in capital. I'd say that's something positive that should be of interest to the American people."

Mr. Olson went to point out that outside competitive forces are continually whacking away at the traditional business of banks and it is crucial that all banks support the industry effort to get expanded powers enacted into legislation this year. "We will succeed when the *public* perceives that banking needs to change," he added.

William Isaac Comments

William M. Isaac, now president of The Secura Group in Washington, D.C., but better known to bankers as the immediate past chairman of FDIC, followed Mr. Olson to the podium. He said he is "an ardent proponent of competitive deregulation. The competitive inequities of today can only mean banking is running in place, which interprets into falling behind."

Mr. Isaac talked about the proposals for imposing premiums on foreign deposits of the top 25 banks' foreign deposits, since those deposits are now virtually insured by FDIC, although reluctantly. He discussed also the basing of premiums on risk of the deposit base. He said he believes that the "depositor discipline disadvantage is outweighed by the advantages, because of situations like Continental Illinois National Bank & Trust Company of Chicago. So I believe the better discipline is through capital regulation, working to a 9% level in six years. Directors and stockholders would look carefully because they would be



LEFT—Bill Isaac, former chmn. FDIC and now pres., The Secura Group, Washington, D.C.; John McGinley, pres., American State, Williston, and Harry Argue, NDBA exec. dir. RIGHT—Richard Stengrim, v.p., dir. of sales, greets guests at North Central Life exhibit.



LEFT—Dick Holmes, a.v.p., Marquette Bank, Minneapolis, with Mick Hamerstrom, pres., West Fargo State, and Larry Kraayenbrink, a.v.p., Marquette Bank. RIGHT—Bob Barstad, pres., 1st State, Harvey, and Del; Dolores Walstrom, a.v.p., 1st Bank Minneapolis; Ron Brandvold, pres., Merchants Bank, Rugby, and Ruth, and Mike McArdell, corr. bkg. off., First Bank St. Paul.



responsible for the risk."

Mr. Isaac stressed again that the least cost, prudent solution for Continental in Chicago was the action taken by FDIC to save the bank, especially, he noted, "because it would have severely harmed or ruined 2,300 smaller correspondent banks." An extended question and answer period followed.

Final speaker was the highly popular Orion Samuelson, farm service director for WGN radio and TV, Chicago.

The 1986-87 NDBA officers were installed during the annual banquet. The festivity was followed by a stirring evening of entertainment presented by Danny Davis and the Nashville Brass.

The 1987 convention is scheduled for June 7-9 in Minot. □

Two Promoted in Fargo

Norwest Bank Fargo, N.A. has

announced the promotions of Charles D. Swanson and R.W. Perez to assistant vice presidents in the retail banking department.

Mr. Swanson began working for the bank in 1976 and was promoted to loan officer in 1977. Mr. Perez started with Norwest in 1976 in the collection department and in 1977 was promoted to installment loan officer.

Dan Lessard Retires From Grafton Bank

Dan Lessard, president of the First American Bank & Trust of Grafton, has announced his retirement as of July 1, and from the board as of December 31, 1986. He retires after 40 years of service to the First American Bank & Trust of Grafton, the last 18 years as president.

He has held the presidency of the

North Dakota Bankers Association, was a city alderman for 8 years and has been involved in many civic and banking organizations during his career.

His successor is Pat L. Keeley, ex-



D.J. LESSARD

P.L. KEELEY

ecutive vice president of the bank. Mr. Keeley began his banking career in 1972 with the bank and has held different positions during his 15 years there. He assumed the presidency and became a member of the board July 1.

the 1987 legislature and lobby for MBA on all tax related issues. In addition, she will serve as comptroller of the association's finances and manage other services developed for MBA members.

Elected in Billings

Gregory Schmidt has been elected as trust officer-employee benefit plans, financial services division of First Interstate Bank of Billings, N.A.

Mr. Schmidt joined the bank in 1983 as an employee benefits trust administrator, prior to which he worked in Seattle, Wash. for Bankers Life Company.

Convention Update

At the time this issue was going to press, the Montana Bankers Association was holding its Annual Convention in Kalispell at the Outlaw Inn.

W.E. "Buster" Schreiber, chairman and president of Mountain Bank of Whitefish was scheduled to advance as president of the association, succeeding Richard Timmerman, president of First Bank Butte.

The complete convention report with photos will appear in the August issue of THE NORTHWESTERN BANKER.

Montana

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



FDIC Approves Assumption of Bank of Columbia Falls

The board of the Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Bank of Columbia Falls by First Citizens Bank, N.A., Columbia Falls, a newly-chartered subsidiary of Citizens Development Company, Billings.

The failed bank's only office reopened on June 2 as First Citizens Bank and its depositors automatically became depositors of the assuming bank.

Bank of Columbia Falls, with total assets of \$42.8 million, was closed on May 30 by Fred Napier, Montana Commissioner of Financial Institutions, and the FDIC was named receiver. Mr. Napier said "The bank's equity capital had been deteriorating because of poor lending practices and management problems.

First Citizens Bank assumed about \$40.5 million in 5,400 deposit

accounts and has agreed to pay the FDIC a purchase premium of \$310,000. It also will purchase certain of the failed bank's loans and other assets for \$13.7 million. To facilitate the transaction, the FDIC advanced \$26.5 million to the assuming bank and will retain assets of the failed bank with a book value of about \$29.1 million.

MBA Services Inc. Names Exec. V.P.

Neysha Humphreys, CPA, has been employed as executive vice president of Montana Bankers Association Services, Inc. She had been with Anderson-ZurMuehlen Co. in Helena as a CPA for the past seven years. Prior to that, she was a staff accountant in Colorado.

Mrs. Humphreys' role as executive vice president will include management of all insurance and pension plans for banks, their employees and customers. She will also compile tax data from all banks for



OFFICERS of the Wyoming Bankers Association are, left to right, front row: Immed. Past Pres.—**Hale Kreycik**, pres., Converse County Bank, Douglas, and Pres.—**N.P. Van Maren**, Jr., vice chairman, Hilltop National Bank, Casper. Back row: 1st Vice Pres.—**Bill Ruegamer**, pres., First Interstate Bank, Sheridan; 2nd Vice Pres.—**Auburn Dowdy**, president, Norwest Bank, Cheyenne, and Exec. V.P.—**Gretchen Tea**, Casper.

N.P. Van Maren Named WBA President

By **BEN HALLER, JR.**
Publisher

APPROXIMATELY 300 bankers and spouses attended the 78th annual convention of the Wyoming Bankers Association at Jackson Lake Lodge, Moran, in mid-June, accompanied by flawless weather that provided daytime highs of 75 degrees.

N.P. "Van" Van Maren, Jr., vice chairman of Hilltop National Bank, Casper, was elected 1986-87 president of the WBA, succeeding Hale Kreycik, president of Converse County Bank, Douglas.

Bill Ruegamer, president of First Interstate Bank, Sheridan, moved up to first vice president of the association, while Auburn Dowdy, president, Norwest Bank, Cheyenne,

became the new second vice president. Gretchen Tea, Casper, continues as executive vice president.

Four bankers were named to two-year terms on the WBA board of directors. They are:

Ronald Bailey, president and CEO, American National Bank, Rock Springs; Clifford E. Kirk, executive vice president and CEO, First National Bank of Gillette; Chuck Pedersen, president, First Interstate Bank, Casper, and Jerry Rankin, president and CEO, First Wyoming Bank, Jackson.

In his review of WBA activities this past year, Mr. Kreycik reviewed the extensive work done in investigating every angle to provide improved insurance coverage for member banks. He said ABA's current study of a captive insurance is Wyoming's best bet. He listed sev-

eral items needing special attention: 1. Either an extension or repeal of the federal law that deleted the UCC ag lien exception (double jeopardy bill). 2. Branching and full interstate legislation, for which bills will be introduced in the 1987 legislature. "I ask you not to let this controversial issue harm our WBA," Mr. Kreycik said. 3. Issue of declining revenue of dues to WBA and the increasing cost of maintaining the Casper office.

Four guest speakers addressed the WBA convention.

Michael A. Aun, II, a certified Speaking Professional from Lexington, S.C., opened the program with his inspirational speech, "Get Up Off Your Assets." After pointing out the changes taking place in banking and how banks of every size must adapt, he urged the audience to keep an eye on California, Texas and Florida, the "bellwether states" which are "determining where the course of banking is going."

"Big bank mergers," he noted, "have all the finesse and appearance of mating dinosaurs," and added that "the banking giant of the '90s will be a leader, a facilitator, not an order taker. America is moving toward a union-free society, and banks must also move in this direction."

Dr. A. James Meigs, economic consultant and retired senior vice president and chief economist at First Interstate Bancorporation, gave his "Economic Outlook...U.S. and Wyoming." He doesn't foresee another energy crisis because "oil reserves of the world are 35% greater today than 1970, when it was thought we were running out. However, we have enough oil to run another 45 years - grim news for suppliers." He expects a modest in-



PICTURED at Norwest Banks dinner party were, left to right: Hosts **Auburn Dowdy**, pres., Norwest Bank Cheyenne; **Bob Noel**, exec. v.p., Affiliated Bank Corp., Casper; **John Sampson**, sr. v.p., Norwest Corp., Minneapolis, and **Gary Wickham**, exec. v.p., Norwest Bank, Casper. **RIGHT**—**Bill Dewhurst**, v.p., Norwest Bank Omaha; **Meredith and Doug Crouse**, pres., Security State Bank, Basin, and **Rita and Howard Nielsen**, v.p., Norwest Bank Omaha.



crease in oil prices in late '86 and early '87 to a range of \$13 to \$15 per barrel.

"The long run for Wyoming," he said, is good, "for you have great stocks in the ground which will increase in value and supply a continuing source of funds long-term." For the short-term, Dr. Meigs feels tourism emphasis is needed to shore up the Wyoming economy.

In his summary, Dr. Meigs said "the national economy is doing well and has tremendous vitality, which will help Wyoming in the long run. We will have a little more inflation,

but not like before. Also, we will see a little higher interest rates. This is still a good time to be in the banking business."

ABA President Mark Olson reviewed "Legislative Goals and Opportunities." Based on the erosion of banking's former protected position, Mr. Olson said, "We need an expanded banking charter granting new powers...until we get new powers to exercise flexibility, we're in a declining industry." He urged bankers to "look carefully at those running for office."

Radio and TV journalist David

Schoenbrun, entertained the audience with his reminiscences of important people and events he has been associated with worldwide in the past 50 years.

Following last year's format of registering in on Sunday at Jackson Lake Lodge, the business meeting was held all day Monday, followed by the annual banquet that evening. Tuesday was devoted to recreational activities — golf, tennis and fishing — and concluded Tuesday evening with a German Beer Garden party. The 1987 convention will be held again at Jackson Lake Lodge. □



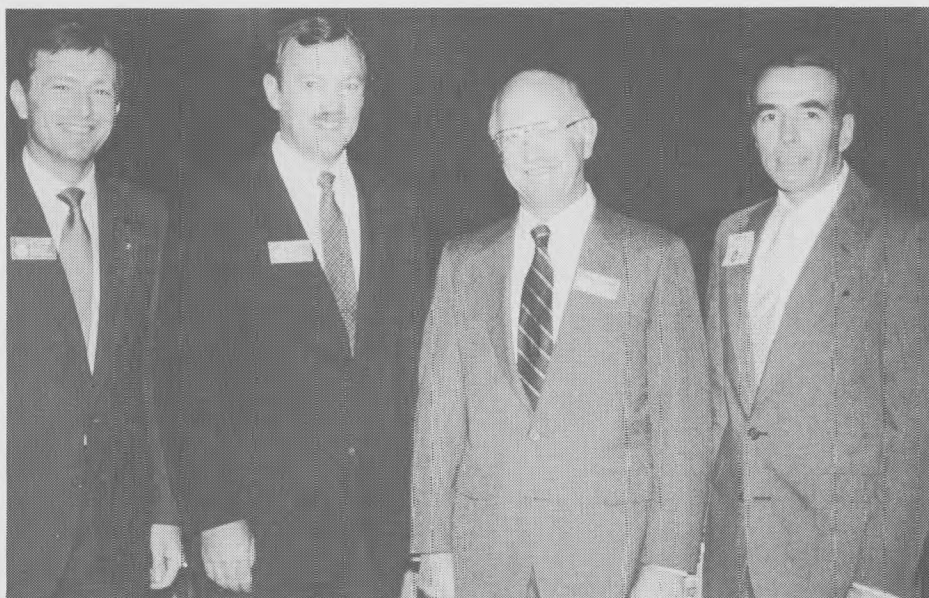
LEFT—Greeting guests at First Interstate Casper reception were, left to right: **Wanda and Don Swanton**, exec. v.p., **Wanda and Chuck Pedersen**, pres., and **Nancy and Lynn Duncan**, v.p. RIGHT—Nebraska visitors from Sioux Natl., Harrison, included **Charles Leffler, Jr.**, vice chmn.; **Don Bell**, v.p.; **Charles Leffler, Sr.**, chmn., and **Wayne Hoskinson**, pres.



LEFT—**Rick McElroy**, v.p., Central Bank of Denver, with **Lorry and Jack Pearson**, ret. pres., 1st Natl., Lovell. RIGHT—**Barry Robinson**, v.p., Fed. Res. Bank of Kansas City, with **Janet Nacu**, dir. of sales s.w. region, and **Cathy Deveau**, acct. mgr., Denver, both with American Express Co.



LEFT—**Hale Kreycik**, ret. pres. WBA and pres., Converse County Bank Douglas, and his wife, **Jane**; **Mark Olson**, pres. ABA and pres., Security Bank, Fergus Falls, Minn., and **Juanita and N.P. Van Maren, Jr.**, new pres. WBA and vice chmn., Hilltop Natl., Casper. RIGHT—**Larry Matthes**, v.p., Colorado Natl., Denver; **Elsie and Bob Nelson**, chmn., 1st Natl., Powell, and **Beth Bryant**, corr. bk. repr., Colorado Natl., Denver.



REPRESENTING the leadership of the Colorado Bankers Association for 1986-87 are, left to right: Exec. Vice Pres.—**Don A. Childears**, Denver; Pres.—**A.J. Tony Anderson**, pres., Kiowa State Bank; Immed. Past Pres. and Chmn.—**Royce B. Clark**, chmn., IntraWest Bank, Greeley, and Pres.-Elect—**G.K. Gar Puryear**, exec. v.p., Colorado Natl. Bank, Denver.

Colorado Bankers Elect A.J. Anderson To Head CBA in 1986-87

By **ROBERT CRONIN**
Associate Publisher

A. J. "TONY" Anderson, president and chief executive officer of Kiowa State Bank, was elected president of the Colorado Bankers Association during the 85th annual CBA convention, held at the Broadmoor Hotel in Colorado Springs last month. He succeeds Royce B. Clark, chairman and chief executive officer of IntraWest Bank of Greeley.

Mr. Clark continues as chairman of the association, a title that he has

held in addition to president over the past year.

G.K. "Gar" Puryear, executive vice president of The Colorado National Bank of Denver was named CBA president-elect, succeeding Mr. Anderson. Mr. Puryear is a past director of the CBA and is a member of the CBA federal legislative committee and finance committee.

Don A. Childears will continue as executive vice president for the CBA.

A resolution was adopted during the convention to change the titles of "vice president" and "executive

manager" to president-elect and executive vice president. This change "will reflect a growing trend among other state associations," said Mr. Anderson.

Of course, it wasn't all business at the Broadmoor. The CBA sponsored a fun run, golf and tennis tournaments, skeet and trap shooting and a fitness clinic, as well as a "County Fair" reception where bankers were encouraged to "try their luck at the games and to take home a prize."

An entertainment highlight for the convention was the performance by Danny Gans, a singer and impressionist who delighted the audience and was called back onto the stage with a standing ovation. His impressions surely brought back good memories for many of the bankers and spouses as he performed music from Sinatra to Elvis.

Many bankers wish they could go back to the "better days" of banking, but "we can't turn the clock back," said Royce Clark. "Our industry needs to be unified because we already have too many problems—we can't let these things get in the way (of our progress)," commented Mr. Royce. "We must keep the banking industry unified," he concluded.

In keeping with the unification theme, Alex Sheshunoff, president of Sheshunoff & Co., Austin, Tex., encouraged bankers not to concentrate on the problems they have now, but to look towards the future. Borrowing a phrase from Charles Darwin, Mr. Sheshunoff said, "It's not the strongest bank that will sur-

COLORADO NEWS...
(Turn to page 46, please)



LEFT—General session speakers included, left: ABA Pres., **Donald T. Senterfitt**, vice chmn., Suntrust Banks, Orlando, and **Alex Sheshunoff**, Sheshunoff & Company, Austin, Tex. RIGHT—Hosting the annual Central Bank of Denver Breakfast were, left to right: **Bill Tumelty**, v.p.; **Don Echtermeyer**, sr. v.p.; **Don Hoffman**, chmn. & ceo, and **Bob Krane**, pres. of holding co.



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Nebraska

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S. Matzke, Jr., exec. v.p., Lincoln



Changes Made in North Platte

Samuel H. Gillette, executive vice president and secretary of the board has retired from the North Platte National Bank. Mr. Gillette had served the bank for the past 17 years in the capacity of ag officer and executive vice president.

The bank's board has recently elevated four of its officers to new administrative positions.

Promoted to executive vice president and senior loan officer was William Giesler. He will also serve as secretary of the board. He has been with the bank four years, having worked in the credit and financial business.

Charles Sandman, who has been assistant vice president and loan officer, has been promoted to vice president and commercial ag officer. He has been with the bank for five years.

Serving as vice president and head ag officer will be Roger Wark, who recently came to the bank from First National Bank and Trust Company at Kearney.

Marcia Shanahan has been appointed assistant vice president and a commercial loan officer and will serve as head loan administrator. She has been with the bank for over two years, most recently as credit analyst.

Roseland State Bk. Closes

On May 28, State Banking Director James C. Barbee closed the Roseland State Bank, which had total assets of \$11.1 million. The FDIC was named receiver.

The bank's only office reopened on May 29 as a branch of Hastings State Bank and its depositors automatically became depositors of the assuming bank.

Hastings State Bank will assume about \$10.1 million in 2,300 deposit accounts and has agreed to pay the

FDIC a purchase premium of \$239,000. It also will purchase certain of the failed bank's loans and other assets for \$7.5 million. To facilitate the transaction, the FDIC will advance \$2.4 million to the assuming bank and will retain assets of the failed bank with a book value of about \$3.6 million.

President Named in Kearney

Gary L. Hodde has been named president and chief executive officer of the Kearney State Bank & Trust Company.

Mr. Hodde, who was executive vice president of the bank, succeeds Terrence Geiger.

Lisco Banker Dies

Harold B. Olson, 90, passed away last month in Oshkosh. Mr. Olson was chairman of the Lisco State Bank and vice president of the Rush Creek Land and Livestock Company.

His banking career began in 1919 at the Maxwell State Bank. He joined the Lisco State Bank in 1924 and also served as president of the Nebraska Bankers Association western panhandle group.

Retires in Cozad

G.S. Wittenberger, executive vice president of First Bank & Trust Co. of Cozad has announced his retirement. He has been with the bank since 1966.

Jeffrey J. Konen has been named to succeed him. He had previously been a vice president of the bank.

Promoted in Elk Creek

Kenneth L. Bartels has been promoted to vice president of the Johnson County Bank, Tecumseh Office, Elk Creek.

Mr. Bartels had been working for the former Johnson County Bank

for 32 years. He had served as vice president and cashier and had experience in all departments of the bank.

Two Named in Sidney

The American National Bank of Sidney has announced that Dwight Stubbs has been named executive vice president. He formerly was senior vice president.

Merna Billings has been named assistant cashier.

Joins Holdrege Bank

Lloyd Schepler has joined the staff of the First Security Bank in Holdrege as vice president.

Mr. Schepler was formerly with the Thayer County Bank in Hebron as senior vice president.

Two Named in Norfolk

Jane McDaniel has been elected as assistant vice president and Dan Skalberg as a new installment loan officer of the Bank of Norfolk.

Ms. McDaniel has been with the bank since 1980. Prior to this promotion she was assistant cashier. Mr. Skalberg, a former Norwest and Bankers Life employee, has six years of lending experience.

KBA & NBA Host School

The first-year session of the 1986 Professional Development Program Intermediate School of Banking will be held September 21-26 at the Holiday Inn in Manhattan, Kan.

Sponsored by the Nebraska and Kansas Bankers Association, this course has been expanded to a two-year program. The course covers 13 subject areas, makes extensive use of student/teacher interaction, and involves interim assignments which allow students to further explore the concepts taught in the first-year session. The second-year session, to be held during June, 1987, will utilize a bank simulation model.

Class enrollment is limited to 60 students. Applicants for admission will be accepted now through August 22 on a "first-come, first served" basis.

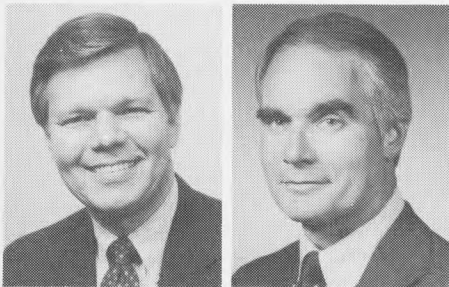
Cost of the school is \$750 for single housing, \$650 for double, and \$600 for no housing. Enrollment fee includes registration, instruction, five nights lodging, meals and all classroom materials.



Omaha

Lawrence Comine, Jr. has been named chief operating officer, senior executive vice president and a member of the board of FirstTier Bank Omaha.

Mr. Comine, formerly vice president and CEO of FirstTier Bank Grand Island, joined Omaha National Bank in 1958. He replaces **Gary K. Thrasher**, senior executive vice president, who has resigned.



L. COMINE, JR.

P.J. BRADY

Patrick J. Brady has been named senior vice president and group executive for the bank's commercial lending division.

Mr. Brady joined the bank in 1984 following an 18-year career with the Norwest Corporation. He had been serving as vice president in the bank's commercial lending department. He replaces **Robert A. Suddick**, senior vice president of the bank, who has resigned.

* * *

Two new officers have been named at Norwest Bank Nebraska, N.A. They are: **Kathleen A. Anderson** to retail banking officer and **J.W. "Wally" Landon** to financial institutions group officer.

Ms. Anderson began working in a Sioux Falls bank in 1963 and has

over 12 years banking experience. She joined Norwest in 1977.

Ms. Anderson will office at the Norwest Bank Nebraska location at 24th and L Street.

Mr. Landon joined Norwest last year as a credit analyst in the regional credit training program.

* * *

Evelyn Schafer has been promoted to vice president/internal auditor at Douglas County Bank and Trust Company. She started her career at DCB & T in 1960 in the bookkeeping department. She was promoted in 1970 to operations officer, and in 1981 to vice president of operations.



E. SCHAFER

* * *

Elaine M. Dishman has been named international banking officer and manager of the International Banking Department at Norwest Bank Nebraska, N.A. She will oversee services including domestic, international and stand-by letters of credit and all drafts and wires overseas. Ms. Dishman previously served for five years at the bank as a cash management officer.



E. DISHMAN

COLORADO NEWS...
(Continued from page 43)

live, but the one which is most adaptable to change."

Bankers were told that the lending side of banking will contribute to higher performance banks. Mr. Sheshunoff explained his "subtraction and addition theory." This involves the cutting of interest rates on deposits and increasing the rate for borrowing by a similar fractional amount. "This could be anywhere from 1/4 to 3/8 of a percentage point," he said.

Heartsill Wilson, a noted professional speaker from Denver, told bankers to remain optimistic. "People who tend to feel good about themselves, take risks to achieve things and show no desire to cut back on their active lives will be successful," Mr. Wilson said. "Success is not limited to just a few."

ABA President Donald T. Senterfitt, vice chairman, Suntrust Banks, Orlando, Fla., told bankers in his presentation, "We must have an attitude of cooperation." He went on to say, "We are dependent on one another and the same purpose must draw us closer together." Mr. Senterfitt told bankers to take up an active role in their industry, especially from a legislative standpoint.

"The legislative branches are doing nothing and the only way to get action is to develop a consensus among bankers—agreed as one voice throughout the industry," said Mr. Senterfitt. He urged involvement in PAC groups and concluded, "We can win or we can lose in Washington, but unification is the key."

In addition to excellent general session speakers, the CBA also provided a concurrent workshop entitled, "Rap with the Regulators," where bankers could voice their questions and opinions with area regulators. Those involved in the session were Billy C. Wood, deputy comptroller, Western District, OCC, San Francisco; Richard B. Doby, Colorado state bank commissioner, Denver; Roger Guffey, president, Federal Reserve Bank, Kansas City, and Sidney M. Carroll, FDIC assistant regional director, Dallas.

The 1986 CBA Convention was, as the program stated, "a positive and uplifting time." It offered bankers and spouses the opportunity to not only enjoy the beautiful surroundings of the Broadmoor, but to



LEFT—Enjoying themselves during the United Missouri Bank Dinner were, from left: **Virginia** and **E.G. Koelling**, dir., Citadel Bank, Wichita, Kansas; **Bev** and **Dick Muir**, v.p., United Missouri Bank, Kansas City, and **Pam** and **Claude Cage**, Colorado Springs. **RIGHT**—From left are: **Lyle Wells, Jr.**, vice chmn., United Missouri Bank, K.C.; **Jeannine** and **Joe Lincoln**, pres., Central Bank of Denver; **Don Hoffman**, chmn., also Central Bank with wife **Patsy**, and **Roger Guffey**, pres., Fed. Reserve, Kansas City.

become better bankers as they understand and learn about their industry. □

United Banks of Colorado Completes Negotiations

United Banks of Colorado, Inc. has completed negotiations to acquire American National Bank of Aurora. The terms of the purchase have not been released. The acquisition is contingent on approval of the board of the Governors of the Federal Reserve.

American National has assets of \$7.2 million. United Bank of Colorado, Inc. has assets of \$4.7 billion.

Promoted in Boulevard

William R. Vasa has been promoted to vice president, commercial loans & loan review of Colorado National Bank-Boulevard. Mr. Vasa joined the bank in 1984 as credit analyst/loan operations supervisor and was later promoted to assistant vice president.

Awarded in Denver

First Interstate Bank of Denver is the only bank in the country selected to receive the coveted President's "E Star" Award for export service.

The award is bestowed on those individuals or organizations that consistently have made outstanding contributions to promoting international trade.

The bank was honored by President Ronald Reagan at a White

House ceremony in May.

Two Advance in Tech Center

Kathy Sisneros and Aundrea Mace have been promoted to loan review/compliance officer and operations officers respectively at Colorado National Bank-Tech Center.

Ms. Sisneros has 12 years banking experience. She joined the bank in 1982. Ms. Mace came to the bank in 1981.

United Bank of Denver Promotes Seven

United Bank of Denver has announced it has promoted seven of its employees. David L. Pitts has been named vice president and assistant counsel. He joined the bank in 1981.

James G. Fullerton and Philip V. Hanel have been named assistant vice presidents. In addition, Faye E. Fairbanks, J. Christopher Fleming, Ines W. Grefe and Nell Stallings have been named to officer positions.

Three Named in Longmont

Robert P. McWhorter has joined Colorado National Bank-Longmont as vice president & loan administrator. He has 27 years of banking experience having previously been associated with First Interstate Bank of Alaska and First Interstate branches in Oregon.

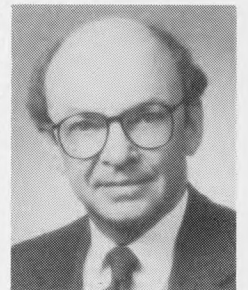
L. Michael Finnegan, who is assistant vice president & commercial loan administrator, comes from Commerce Bank of Aurora.

In addition, June M. Myhre has been promoted to consumer loan

supervisor. She joined the bank in 1982 as loan officer.

Red Cross Names Banker

George G. Patterson, executive vice president of the Central Bank of Denver, has been named chairman of volunteers for the American Red Cross Western Operations Headquarters (WOH), located in Burlingame, Calif.



G.G. PATTERSON

The position is one of the highest Red Cross volunteer posts in the nation. Mr. Patterson will be part of a top-level management team.

Elected in Denver

Richard M. Johnson has been elected vice president and assistant manager of Lincoln Agency, a wholly-owned insurance subsidiary of United Bank of Colorado, Inc. Mr. Johnson is a 10-year veteran of the United Bank system, serving most recently as vice president and director of retail banking service for United Bank of Fort Collins.

Advanced in Arvada

Colorado National Bank-Arvada has promoted Carl Hamm to assistant vice president. Mr. Hamm came to the bank in 1984 as a loan representative trainee and was promoted to loan officer.

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Hawkeye Will Sell 17 Community Banks

HAWKEYE Bancorporation announced last month it will sell off 17 of the holding company's 36 banks as part of a proposal to reduce the corporation's current \$100 million of debt. Paul D. Dunlap, Hawkeye president and founder, said a final accord with creditors would also require resolution of other material and legal issues, as well as regulatory approval.

Mr. Dunlap stated that preference in the sale of the 17 banks would be given to current officers, directors and stockholders, then to outside investors. Robert Murray, executive vice president and treasurer of Hawkeye, said there had been "considerable interest" expressed by Hawkeye staff members, as well as by other bankers and investors for the purchase of the banks.

Mr. Dunlap said the proposal, which requires acceptance by creditors, would restructure Hawkeye debt as follows: \$22.5 million in installment notes, payable \$10 million December, 1986, \$5 million June, 1987, \$5 million December, 1987 and \$2.5 million June, 1988. Term notes of \$15 million at prime with a 12% cap, interest only for five years, renewable, principal amortized 1991 through 1996. Creditors will receive \$30 million of subordinated capital notes at prime with a 12% cap, due in \$10 million payments December 31 of 1989, 1991 and 1993.

If payment is not made on the principal of the capital notes, creditors may elect to receive 25% of the common stock at the 1989 due date, and an additional 15% on each of the 1991 and 1993 due dates. In addition, if the agreement as proposed is fully approved, creditors would receive approximately 2.6 million Hawkeye shares, or approximately 25% of the common outstanding.

The 17 banks had total assets May 31, 1986 of \$556,986,000. Their 1985 year-end capital accounts (cap-

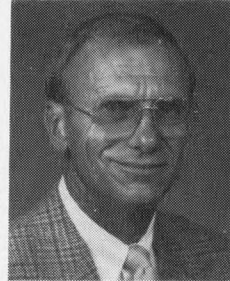
ital, surplus, undivided profits) totaled \$46,386,000, as reported in the 1986 *Iowa Bank Directory*, based on information furnished by each bank.

Hawkeye banks in the following cities are offered for sale: Allison, Camanche, Chariton, Clinton, Eldora, Grundy Center, Humboldt, Iowa City, Lake City, Lake Mills, Lenox, Mason City, Maquoketa, Red Oak, Sibley, Sioux City and Waukon.

Hired in Fairbank

Max Cory has been hired by the Fairbank State Bank as senior vice president. He will be the commercial loan officer for all business loans.

Mr. Cory was employed at the National Bank of Waterloo from 1957 to 1983, where he started as a teller. Prior to leaving the National Bank of Waterloo, he was commercial loan officer and correspondent bank officer.



M. CORY

Changes Made in Muscatine

First National Bank of Muscatine has elected Bernard J. Lattyak as senior vice president/senior loan officer; Kim K. Bartling to vice president/finance; Mark Werning to internal auditor, and David K. Pinegar, installment loan officer.



B.J. LATTYAK

Mr. Lattyak has been vice president/loans at the Union National Bank in Wichita, Kan. since 1984.

He was previously with the First National Bank in Sioux City and Marquette Bank Minneapolis.

Mr. Bartling joined the bank in 1985 as internal auditor. In addition to vice president, he will be the chief financial officer for the bank and for the parent, Iowa First Bancshares Corp. Previous to working for the bank, he was an accountant with McGladrey Hendrickson & Pullen.

Mr. Werning previously worked for Merchants National Bank, Cedar Rapids for the past 6 years, most recently as assistant auditor.

Mr. Pinegar joined the bank in March as installment loan officer. He has been assistant manager of ITT financial services in Muscatine.

Clarinda Banker Observes 50th Year in Banking

Floyd Whitmore, chief executive officer of Page County State Bank, Clarinda, is observing his 50th year in banking this month.

Mr. Whitmore's banking career started in 1936 when he began working at the City National Bank in Shenandoah. He graduated in 1940 from the University of Iowa and went to Chicago where he worked on the chief accountant's staff at Bell Telephone Co. From 1942 to 1946 he served in the Signal Corps.

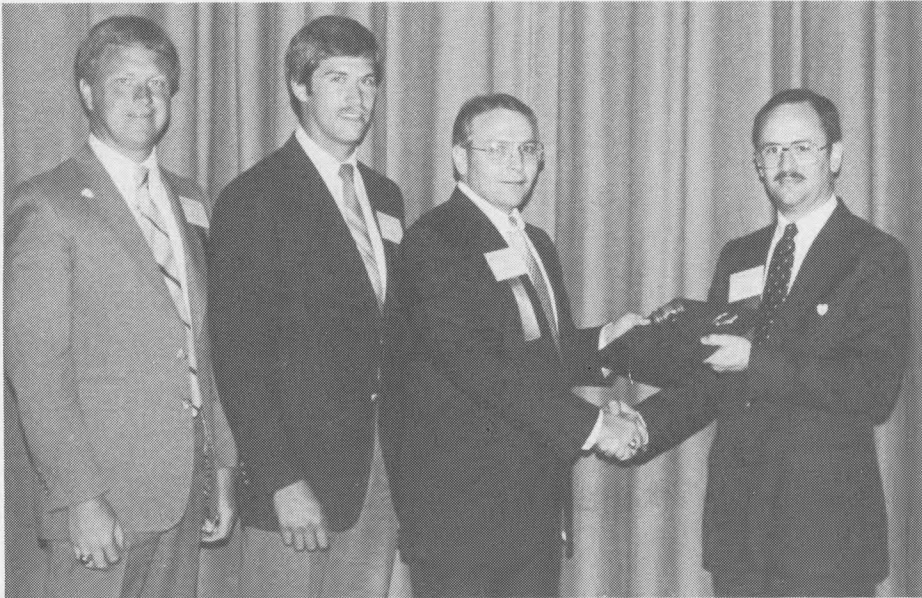
In 1948, Mr. Whitmore purchased Hedrick Savings Bank. Later he bought Okey Vernon First National Bank in Corning, and in 1962, Page County State Bank, and in 1967, the First National Bank, Prescott.

Whitmore Company, Inc. was organized as a multi-bankholding company and since the 1970's has been owned and operated by Mr. Whitmore and his two sons, James L. Whitmore and Kenneth F. Whitmore.

During his 50-year banking career, Mr. Whitmore has served the Federal Reserve Bank of Chicago, six years on the board of directors, was involved in the Bluegrass Bankers Association and served on various Iowa Bankers Association committees. In addition, he has donated much of his time to community groups.



F. WHITMORE



CONGRATULATING former IYBA President **Ray Schirmer** (far right), on a year well done are the newly-elected IYBA officers for the 1986-87 year, from left: Sec.—**Mark Albers**, v.p., Decorah State Bank; V.P.—**Greg Johnson**, a.c. & ag loan off., Shelby County State Bank, Harlan, and Pres.—**Stephen L. Kedley**, v.p., First Central State Bank, DeWitt. Mr. Kedley presented Mr. Schirmer with a plaque for his service to the IYBA.

IYBA Conference Committed to Banking

By **MELINDA SAUERS**
Associate Editor

“**C**OMMITMENT to Tomorrow” was the theme of this year’s Iowa Young Bankers conference held last month at the Hotel Fort Des Moines. The 48 bankers who attended the one-and-a-half day session made their first commitment to banking by actively participating in the conference, which concentrated on preparing bankers in mid-management positions for advancement potential.

IYBA officers for 1986-87 were announced at the conference. Elected were: President, Stephen L. Kedley, vice president, First Central State Bank, DeWitt; Vice President, Greg Johnson, assistant cashier and ag loan officer, Shelby County State Bank, Harlan, and Secretary, Mark Albers, vice president, Decorah State Bank.

The conference got underway with a three-hour management workshop presented by John Schmitz, president of John Schmitz and Associates, a staff consulting firm in Madison, Wisconsin. An audiovisual presentation, “It’s All In Your Head,” kicked off the workshop. The film dealt with the three keys to becoming a good manager: organization, clarification, and atti-

tude. The rest of the workshop focused on the qualities of effective leadership, delegation of authority, accountability of performance and listening skills.

Mr. Schmitz said, “If you don’t perceive yourself as a leader, you won’t lead.” He emphasized the importance of a positive attitude in the workplace, emphasizing that “99% of employers basically want commitment and loyalty out of their people.” He said most anybody can be trained technically.

During the first day’s luncheon Dick Holthaus, Iowa Bankers Association marketing director, presented “Iowa Banks...The Day After,” an audiovisual that reflected hope in the banking industry despite the gloomy news of some banks having to close their doors. He said 96 banks have used the audiovisual since it was introduced to the public last spring. The IBA is planning on putting another PR tool together.

After lunch, a panel consisting of Gene Smith, executive vice president, Sloan State Bank; Jim Davies, president of Peoples Trust and Savings, Indianola; Henry Royer, president and CEO, Merchants National Bank of Cedar Rapids, and John Pothoven, president, Mahaska State Bank, Oskaloosa gave their opinions on what qualities will make up tomorrow’s leaders. The four execu-

tives cited what they look for when deciding on who to promote for upper management level positions.

Mr. Davies said there are three potholes in the road to advancement: poor writing skills, lack of community involvement, and lack of knowledge of the world around us.

Mr. Royer said “You are a product of every experience you’ve ever had.” He said experience is the most important talent a manager can possess. Mr. Pothoven felt that positive attitude was the most important characteristic. The four men agreed that the need to be customer-oriented was an important trait.

After the panel discussion, David Bateman, a professor of management and business communication, College of Business Administration, Southern Illinois University in Carbondale, led a lively discussion on “Productive Communications.” Mr. Bateman said that everyone needs to dispose of “the big I” in communications. He said it’s a major roadblock to overcome, but it is ego-oriented and thinking in the wrong way. Instead, people should use the “You orientation.” Attendees participated in on-the-job exercises which required them to work in a group and make decisions.

The second day’s general session was introduced by Bruce Meriwether, IBA president and president, The First National Bank, Dubuque, who gave a moving speech entitled, “I’m Proud To Be An Iowa Banker.” He told of a personal experience that affected him when he was on “The Donohue Show.” After the show he said 50 people were waiting in line to talk to him, many of them farmers who told him they weren’t mad at bankers — they need their help in order to survive. Mr. Meriwether said it will be the banking community that will help farmers survive, especially the deep understanding of the banker. “Let’s dispose of the animosity between banker and borrower,” he said, adding that his experience after the show was one which made him proud to be an Iowa banker.

Ray Schirmer, IYBA 1985-86 president, was panel moderator for “Knowing the Competition,” a panel which consisted of Vince McCarty, second vice president, Shearon-Lehman Brothers, Des Moines; Donald Beeson, senior agent, The Principal Mutual Life Insurance Company, Des Moines, and Mike



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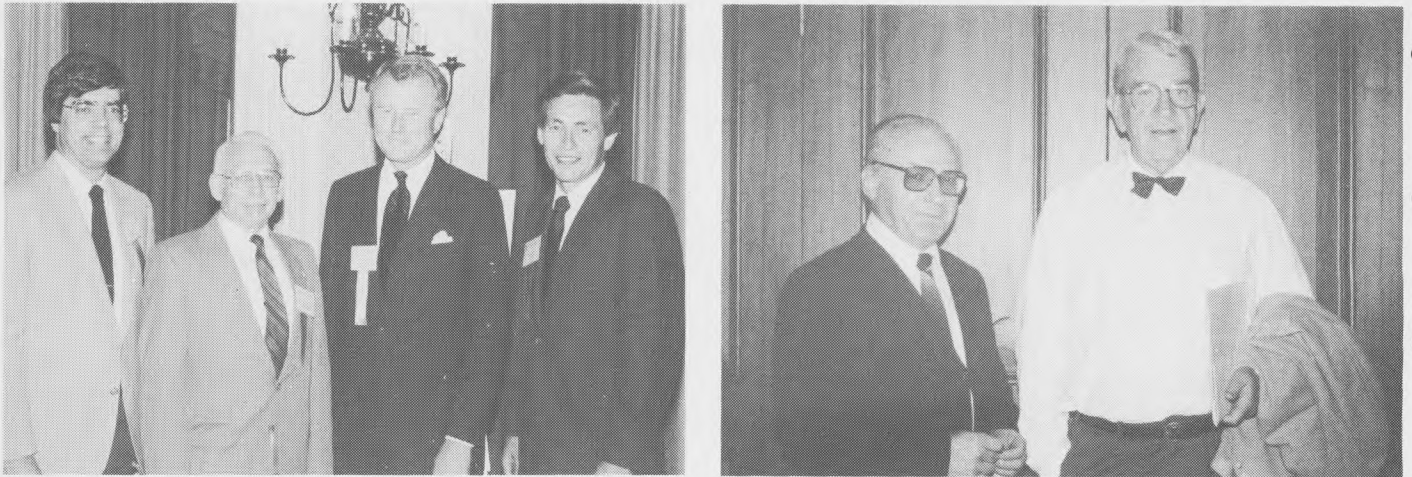
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LEFT—A panel made up of, from left, **Gene Smith**, exec. v.p., Sloan State Bank, **Jim Davies**, pres., Peoples Trust & Savings, Indianola, **Henry Royer**, pres. & ceo, Merchants National Bank, Cedar Rapids, and **John Pothoven**, pres., Mahaska State Bank, Oskaloosa, had valuable advice for conference participants. **RIGHT**—**John Chyrstal** (right), pres. & ceo, Bankers Trust, Des Moines, with his friend, **Dr. Victor F. Lishchenko**, head of food & ag dept., Academy of Sciences of the USSR, who was visiting from Russia.

Powell, Dean Witter Reynolds, member of Sears Financial Group, Des Moines.

The three men said the banking industry will have to develop a personal relationship with its customers and become more aggressive to help overcome the competition.

The Personal Economics Program or PEP was introduced by Greg Johnson, IYBA 1985-86 secretary. PEP is a program in correspondence with the school system to teach students about banking. Seven different banking areas, from careers in banking to personal money management, are covered in the series. For interested banks, the program is available in elementary and high

school levels from Marcia Collins at the IBA.

“Managing and Motivating Under Stress” was highlighted by Gary Maas, speaker, consultant and seminar leader from Agri-Careers recruiting and consulting firm, Massena. Mr. Maas said many employers try to motivate people with excess salary, benefits and time off. He said the real motivators are feelings of achievement, growth, recognition and responsibility.

Stress can be somewhat alleviated when employees have real motivators in their jobs, however, there are also other ways to deal with stress. Mr. Maas said when you know someone is under a lot of pres-

sure, communication is very important, but it must be “down to earth. Don’t beat around the bush.” Help should be offered. Proper diet and exercise are also crucial.

The conference ended with a presentation by John Chyrstal, president and CEO, Bankers Trust Company, Des Moines, who spoke on the “Future of Banking in Iowa.” Mr. Chyrstal said he feels defense expenditures should be curtailed, the social program reevaluated and legislation passed for diversification. A more profitable farm bill is needed, he said. “There are going to be fewer farms and fewer banks,” but he sees hope for the future of banking in Iowa. □

Three Promoted in Indianola

Robert Davey, a vice president at Peoples Trust and Savings Bank, Indianola, has been named business development officer, and will be located at the West Roads office in Indianola.

Mr. Davey has been employed by the bank since 1967, working specifically in the ag loan department.



R. DAVEY

Beverly Nicholls has been named marketing assistant at the bank. She has been the Motor Bank manager for the past five years, and has worked in several departments since her employment in 1963.

Marilyn Perry has been named



B. NICHOLLS



M. PERRY

Motor Bank manager. Prior to this she served as a new accounts representative and savings counselor. She began her employment as a front line representative in the Motor Bank in 1981.

Elected Treas. of NCHHELP

Edward J. Cunningham, executive director of the Iowa Student Loan Liquidity Corporation, (ISLLC), has been elected treasurer

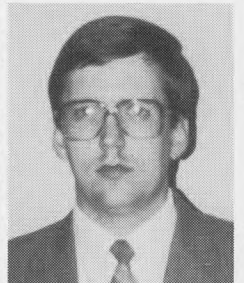
of the National Council of Higher Education Loan Programs, Inc., (NCHHELP) at its recent spring meeting held in Washington, D.C.

Mr. Cunningham will hold the position until July 1, 1988.

Joins Iowa City Bank

Kent L. Jehle has joined Iowa State Bank and Trust Company in Iowa City as second vice president-commercial loans.

Mr. Jehle has spent the past four years with the Iowa Department of Banking as an examiner. He graduated from the University of Iowa with a BBA in finance.



K. JEHL

Iowa Independent Bankers Annual Convention

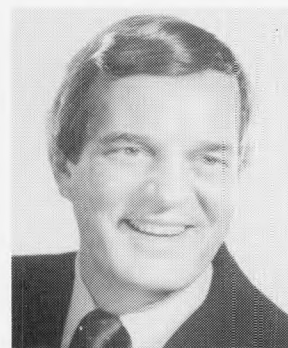
July 24-26 • The New Inn, Okoboji



GEORGE PERRY
President



DAVID MILLER
Treasurer



RICHARD BERGLUND
Exec. Vice President



DIANE GIBBS
Exec. Director

THE 15th Annual Convention of Iowa Independent Bankers will be held July 24-26 at The New Inn, Okoboji. George H. Perry, IIB president and chairman of The City National Bank, Shenandoah, will preside.

Mr. Perry took over as president last fall after Oliver Hansen, chairman, Liberty Trust and Savings Bank, Durant, resigned due to health problems.

Assisting Mr. Perry this year as officers were David L. Miller, IIB treasurer and chairman and president, West Des Moines State Bank, West Des Moines; Richard W. Berglund, IIB executive vice president, corporate secretary and general counsel, and Diane Gibbs, IIB executive director.

The 1986 convention will address independent banking's responsibility in the future and how to best serve customers in the years ahead. In addition, a number of social and business activities have been planned for all age groups.

The program schedule follows:

Thursday, July 24

A.M. Couple's Golf Tournament - Brooks Golf Course

P.M.

Noon - Registration

6:00 Lobby of The New Inn

5:00 - Young People's Gathering

7:30 Indoor Pool of The New Inn

5:30 - Reception (Adults Only)

7:30 The New Inn Poolside

Friday, July 25

[Young People's Fifth Annual Golf & Tennis Tournaments]

A.M.

8:30 First General Session—The New Inn Convention Center
Call to Order, Invocation, Keynote Address—George H. Perry, pres., Iowa Independent Bankers, and chmn. of the Board, The City National Bank, Shenandoah.

Report of the Executive Vice-President & General Counsel—"We're Safe, The Legislature is Not in Session," Richard W. Berglund
"Current Trends in Bank Regulation," Question/Answer Session—Steve Scholzen, Assistant Regional dir., Federal Deposit Insurance Corporation, Kansas City, Mo

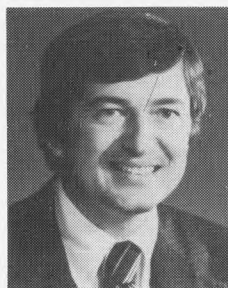
"If You Could See What I Hear", Tom Sullivan, internationally known entertainer, author and lecturer, Palos Verdes, Calif.

P.M.

Noon Spouses' Luncheon—The Grandview Room at The Lodge
The University of Okoboji—Where Fun in Life is Your Degree

1:00 Golf Tournament

Shot-Gun Start—Brooks Golf Course



C.T. DOYLE



M. DUNCAN

Saturday, July 26

A.M.

8:00 Second General Session, The New Inn Convention Center
 Call to Order, George H. Perry, Presiding
 "On a Clear Day..."—Question/Answer Session—Jack G. Wahlig, Managing Partner, McGladrey, Hendrickson & Pullen, Certified Public Accountants, Des Moines.
 "Managing Through Adjustments in the Nation's Agricultural Sector," Question/Answer Session—Dr. Marvin R. Duncan, Member of Board of Directors, Farm Credit Administration, McLean, Va.
 "Biting the Bullet: What We Need to Do," Dr. Gordon P. Eaton, pres., Iowa State University, Ames.
 "A View from Washington," Question/Answer Session—Mark Shields, Author, Political Analyst, and Columnist for the *Washington Post*, Washington, D.C.
 Annual Business Session—George H. Perry, Presiding
 Report of the Resolutions Committee—Chmn. John Chrystal, pres. & CEO, Bankers Trust Company, Des Moines.
 Report of the Nominating Committee—Chairman Ned K. Job, pres., Iowa State Savings

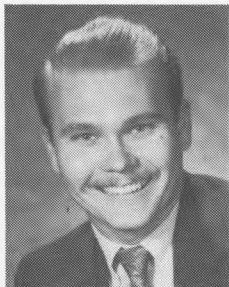
Bank, Knoxville, Iowa
 Election of Officers, Announcements, Adjournment to Registrants' Luncheon

P.M.

12:30 Registrants' Luncheon (Bank Representatives)
 The New Inn Lakeview Dining Room
 Introduction & Remarks of Dignitaries—Michael L. Fitzgerald, Treas., State of Iowa, Des Moines.
 William R. Bernau, Superintendent of Banking, Iowa Banking Department, Des Moines, and Chmn. of the Board, Walker State Bank, Walker.
 William H. Greiner, exec. dir., Iowa Family Farm Development Authority, Des Moines.
 O. Jay Tomson, dir., Federal Reserve Bank of Chicago, Ill., and Chmn. & CEO, Citizens National Bank, Charles City.
 Charles T. Doyle, pres., Independent Bankers Association of America, and CEO, Gulf National Bank, Texas City, Tex.
 Announcements, Golf Awards, Adjournment
 5:00 Social Hour, The New Inn Beach
 6:15 Barbecue, The New Inn Beach
 Fifth Annual Golf & Tennis Awards Ceremony, Young People's Drawing, Couple's Golf Awards Ceremony

Hired in Stanhope

The Farmers State Bank of Stanhope has added to its staff with the recent hiring of William D. Johnston as a loan officer. He will also be associated with the Stanhope Insurance Agency as a licensed insurance agent.



W.D. JOHNSTON

He was most recently employed at the Williams Office of the Iowa Falls State Bank. He also worked for two-and-a-half years at Norwest Bank Atlantic, N.A.

Changes Made in Hartwick

After 32 years of service as a Hartwick banker, Howard Olson, president of the Hartwick State Bank, has announced his retirement. Mr. Olson joined the bank in 1954 and has served as president since 1981.

Also retiring is Anna Olson who has served as teller since 1970. Both Mr. and Mrs. Olson are retiring as bank directors.

K.J. Benda, currently CEO and chairman, will become president.

Joining the bank as executive vice

president will be Alan Knaack who has been an examiner for the Iowa Banking Department for the past six years.

Brian Veach, who currently serves as cashier, will be promoted to vice president and cashier. He has been employed with the bank since 1981.

Rose Sullivan has joined the bank as teller. She was previously employed as a bookkeeper with Iowa Erosion Control.

NABW Elects Officers

The Northwest Iowa Group of the National Association of Bank Women has elected its 1986-87 officers. They are: President, Beverly J. Jensen, vice president and cashier, First National Bank of Sioux Center; Vice President, Sharon Johnson, vice president and trust officer, Holstein State Bank; Secretary, Ann M. Schulz, assistant cashier, Le Mars Savings Bank, and Treasurer, Deb Smith, assistant cashier, First National Bank of Sioux City.



B.J. JENSEN

Appointed in Sioux City

Colleen Snyder has been appointed vice president of human resources at First National Bank of Sioux City.

She had been associated with Edward Anson and Associates as a management consultant and most recently served as vice president of human resources at Norwest Banks, Sioux City.

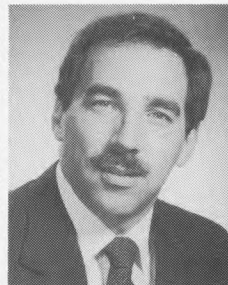


C. SNYDER

Elected in Waterloo

D.L. Porchet, president of Peoples Bank and Trust Company, Waterloo, has announced that Alan L. Ploeger has been elected ag loan officer.

Mr. Ploeger comes to the bank with seven years of financial experience. Prior to joining Peoples, he was with a financial institution in Spencer.



A. PLOEGER

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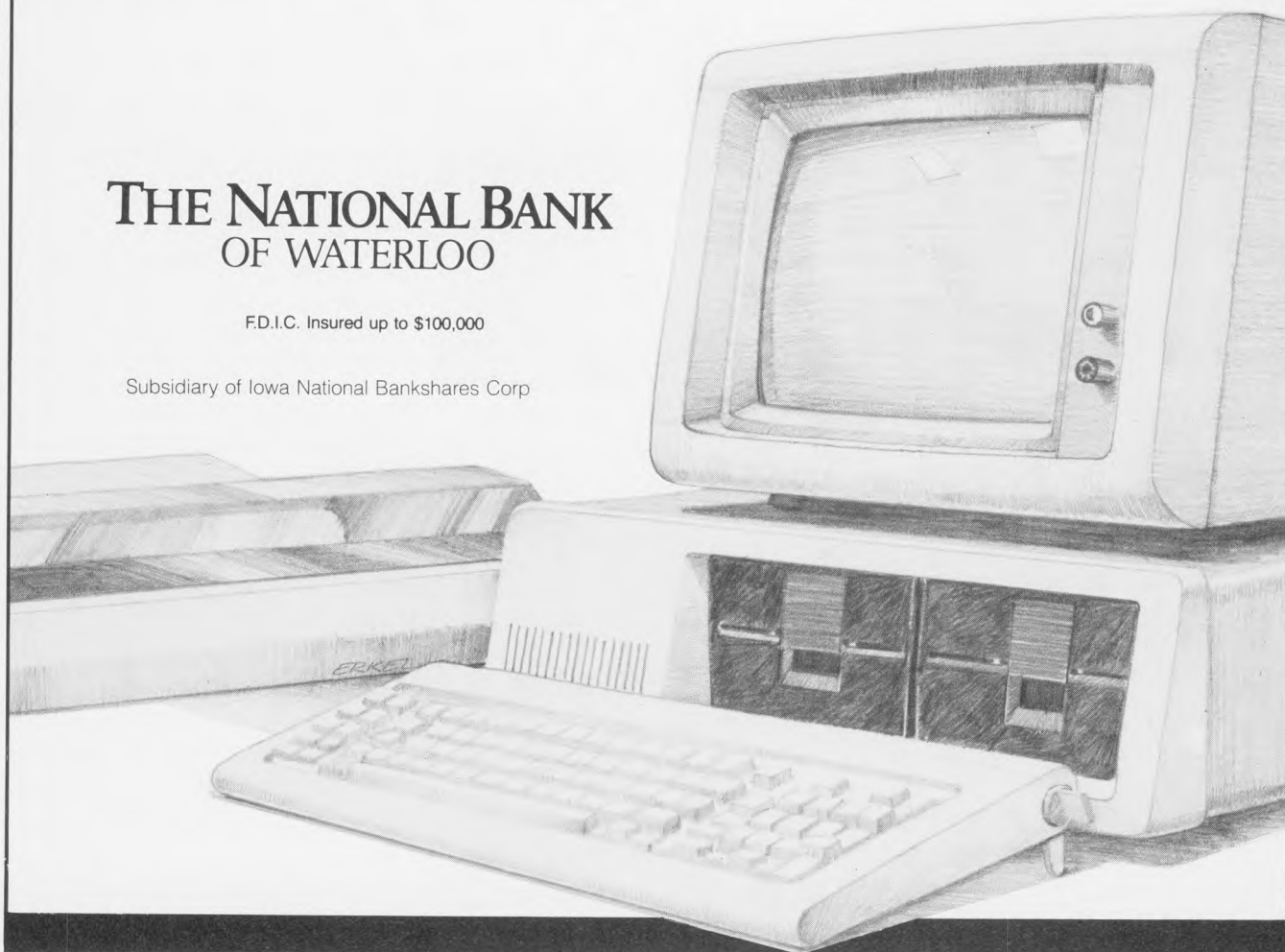
This is a computerized local billing/credit service that provides a consistent source of cash flow for your local business customers. You generate income for your bank through the discount on receivables. And you profit by the finance charges on accounts with balances that have been billed over 30 days.

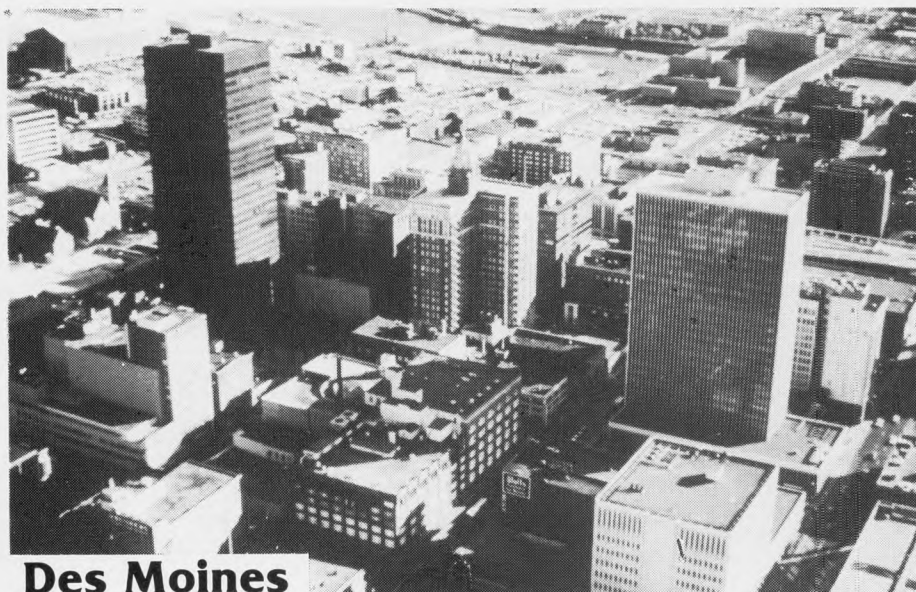
For complete information, call Toll FREE anywhere in Iowa . . . **1-800-772-2411** or call collect outside Iowa at 319-291-5415. Ask for LeRoy Bell or write The National Bank of Waterloo, P.O. Box 90, Waterloo, IA 50704.

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Des Moines

James W. Eiler has been elected executive vice president of First Interstate Bank of Des Moines, N.A.

Mr. Eiler previously was senior vice president and is responsible for the bank's commercial service's division as well as the credit review function for loan participations within the First Interstate system in Iowa.

He joined the bank in 1983 as vice president and manager of the loan administration division. Prior to joining the bank, he had been president and CEO of First National Bank in Colfax.

* * *

Kenneth M. Myers, chairman and CEO of First Interstate of Iowa, Inc., Des Moines, has announced that First Interstate of Iowa, Inc. and two of its subsidiaries, First Interstate Bank of Des Moines, N.A. and First Interstate Building Corporation of Iowa, have entered into an agreement with Graham Investment Co., Des Moines, to sell the First Interstate Bank Building and retail/office parking structure, Locust at Sixth Avenue, to Graham Investment Co. The sales price was not disclosed.

Closing of the sale is subject to the satisfaction of several contingencies and customary condi-

tions to closing contained in the agreement. It is expected the closing will take place on or before September 30, 1986. Both First Interstate Bank of Des Moines, N.A. and First Interstate of Iowa, Inc. will continue as major tenants in the property after the closing.

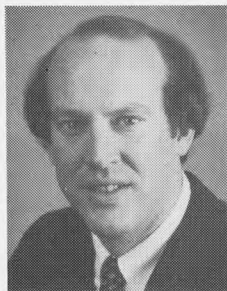
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Banks of Iowa, Inc. has announced the promotion of two officers and the election of two new officers of the Des Moines-based holding company.

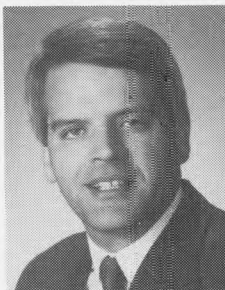
Michael J. Timmins has been named vice president, finance and treasurer. He joined the company in 1980.

Janet E. Burch has been named vice president, personnel. She joined the company in 1977.

James H. Olson has been elected assistant vice president, loan admin-



J. EILER



M.J. TIMMINS



J.E. BURCH



J. OLSON

istration. He joined the company in 1983.

Connie K. Betts has been elected a marketing officer. She joined the company in 1980.

The shareholders of Banks of Iowa, Inc. have elected three new members to the board.

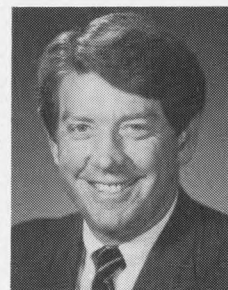
Richard O. Jacobson is president of Jacobson Warehouse Company of Des Moines. **Joseph F. Hladky** is president of the Gazette Company of Cedar Rapids. **Donald P. Hattery** is president and treasurer of Shive-Hattery & Associates of Cedar Rapids, an engineering consulting firm.

* * *

Phillip L. Risley has been elected senior vice president/cashier for Brenton National Bank.

Mr. Risley will also retain his duties as president of Brenton Information Systems, Inc., the data processing subsidiary of Brenton Banks, Inc.

He joined the bank in 1982, having previously been manager of productivity systems at American Fletcher National Bank, Indianapolis, Ind.



P.L. RISLEY

Stanton Bk. Changes Hands

James W. Grotenhuis, president of Security State Bank, Stanton, has announced his family has agreed to sell controlling interest in the Security State Bank to a group of investors headed by Mike L. Keim of Omaha, Neb. Mr. Grotenhuis and Mr. Keim jointly emphasized the policies and services of the bank would remain the same under new ownership, and no personnel changes would be made.

The Security State Bank was originally chartered as a state banking institution by William J. Grotenhuis in 1950.

The board of Security State Bank will be increased to include Mike Keim, Ivan Husa, Sara Thornton and Martin McCartney. All are investors in the new ownership group. In addition, Mr. Keim will become president of the bank, and Mr. Husa executive vice president.

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New Bank Opens in Huxley



THE First National Bank of Huxley has opened a new full-service bank headquarters at 102 National Drive, Huxley. This was a conversion from a state bank to a national bank, with the original bank remaining as an office in Cambridge. This new 3,300 sq. ft. facility (pictured above) features a president's office, three private loan offices, a conference room, five-station teller line, drive-up service, night depository system, vault and an in-house computer system. Ben E. Allers, P.C. Architect was the building designer. Ehle Construction Company of Huxley was the general contractor, and Office Concepts, Ltd., of Waterloo, specialists in bank design, provided the interior design and custom furnishings. An open house was held for area bankers and citizens recently and was well attended.

Two Named in Waterloo

John Cunningham has been appointed to vice president in the correspondent bank division of The National Bank of Waterloo.

Mr. Cunningham was vice president, trust officer and cashier at the Chelsea Savings Bank in Belle Plaine, where he worked for 16 years

prior to joining The National Bank of Waterloo.

Dennis Thoren has been appointed to assistant director of data processing at the bank's Computer Center. Prior to joining the bank, he was with Rath Packing Company for 35 years and was manager of computer systems and programming. He has been involved in tech-



J. CUNNINGHAM

D. THOREN

anical aspects of data processing for more than 27 years.

PT&S Bancorp Plans Merger With Ia. Natl. Bankshares

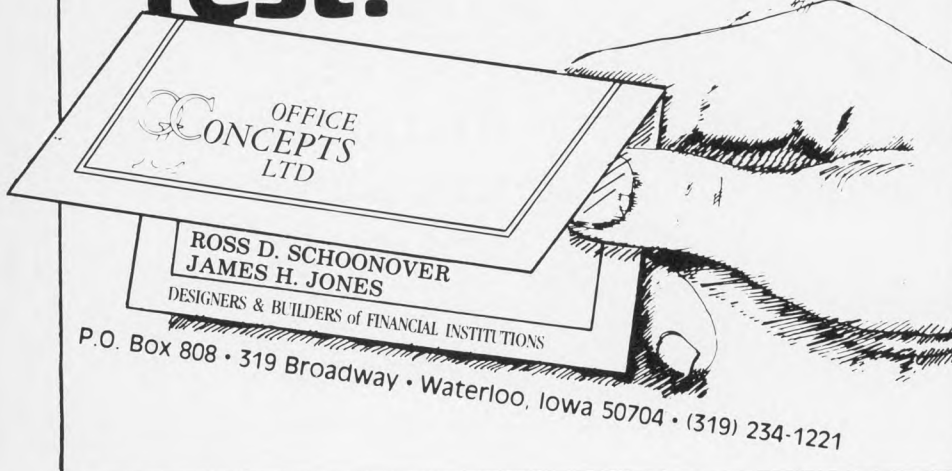
The planned merger has been announced of P T & S Bancorp, a one bank holding company which owns Peoples Trust & Savings Bank, with Iowa National Bankshares Corp., the parent holding company of The National Bank of Waterloo.

Peoples Trust & Savings Bank was chartered in 1919 and has total assets of approximately \$120 million. In addition to having three locations in Indianola, Peoples Trust & Savings Bank also has offices in Lacona, Martensdale and Milo.

R. Scott Fetner, president of Iowa National Bankshares Corp. said the merger should be completed by the end of the year.

James Davies, president of Peoples Trust & Savings Bank of Indianola said the bank will continue to operate as an independent bank serving its own depositors. In addition, Mr. Davies has announced he plans to retire effective January, 1987.

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