

NORTHWESTERN *Banker*

DECEMBER
1986



ABA's Newly-Elected Officers for 1986-87

From "Tombstones"
to TV Spots—
A History of
Bank Promotion

Program Prepares
Students for Ag
Banking Careers
—interview

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a good night."*



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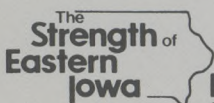
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ON THE COVER

Officers of the American Bankers Association for 1986-87 are pictured on the cover following the election at the annual convention in San Francisco October 28. They are identified in the complete story with pictures that starts on page 13.

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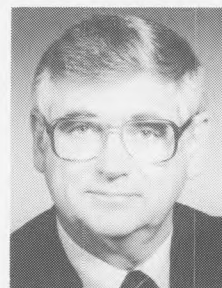
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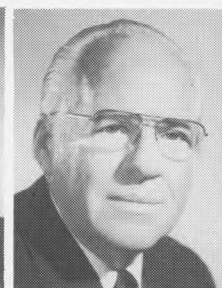
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Farmers Mutual Hail Elects New President

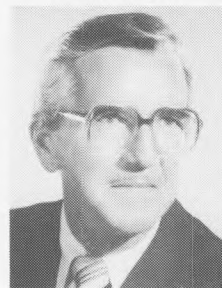
Perry Rutledge has been named president of Farmers Mutual Hail Insurance Company of Iowa by directors at their recent board meeting at headquarters in Des Moines. He succeeds David A. Rutledge, who had served as president since 1980.



P. RUTLEDGE



D. RUTLEDGE



B. DREY



B. RUTLEDGE

Perry Rutledge started with Farmers Mutual Hail Insurance Company in 1952, was elected to the board in 1963 and vice president and secretary in 1976.

David Rutledge joined Farmers Mutual Hail in 1941, was named a director in 1963 and served as vice president of claims from 1975 until his election as president in 1980.

In other action, G.W. (Bill) Drey has been promoted to senior vice president in charge of the company's crop hail department. Bill Rutledge has been named secretary of the company and will continue his duties as assistant vice president in the reinsurance department. Steve Rutledge, who works in the reinsurance department, has been elected to the board to fill the vacancy created by the retirement of David Rutledge. Walt Jones, who has been with the company since 1972, has been named manager of the research and development department.

Mr. Drey has been with the company since 1948, serving as assistant vice president in charge of research and development since 1981 and a member of the board of directors since 1983.

Bill Rutledge started with FMH in 1961 and became a director in 1977.

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Cole-Taylor Promotes 9 Executives

NINE key executives within the Cole-Taylor Financial Group holding company as well as its individual banks will be promoted as of the beginning of the 1987 calendar year, announced Sidney J. Taylor, chairman and chief executive officer of the Cole-Taylor Financial Group, headquartered in Northbrook, Ill.

"We are very excited about these promotions because they illustrate our philosophy of promotion from within our organization," says Mr. Taylor. "We have been developing a succession plan for almost eight years. My partners Irwin Cole and I have been preparing for the future of this company which is principally a family-owned and operated business. We want to keep building our corporation with executives who believe in the same ideals that first started the Cole-Taylor Financial Group."

Bradley M. Stevens, currently president and chief executive officer of Ford City Bank & Trust Co., will become president of Cole-Taylor Financial Group. Frank E. Bauder who has been president of the holding company since it was formed in 1984, will continue his role as the chief financial officer. Mr. Stevens will assume responsibility for all of the Cole-Taylor banks and bank-related activities. He also will be elected chairman of the board of the Ford City Bank & Trust Co.

William C. Olsen will succeed Mr. Stevens as president and chief executive officer of Ford City Bank & Trust Co. Mr. Olsen is now president and chief executive officer of Main Bank which has locations in Chicago and Wheeling. He will continue to serve Main Bank when he is elected chairman of the board. Jeffrey W.

Taylor will be elected president and chief executive officer of Main Bank where he has been executive vice president.

Richard E. Hamlin will be appointed senior vice president for the Cole-Taylor Financial Group with broad responsibilities in human resources as well as involvement in organizational planning and management development. Mr. Hamlin is now chairman and chief executive officer of the Bank of Yorktown where he will continue to serve as chairman. Mr. Hamlin also will be elected chairman of the Skokie Trust & Savings Bank. Bruce W. Taylor will be elected president and chief executive officer of the Bank of Yorktown where he has been executive vice president.

Josephine May will become planning coordinator for the Cole-Taylor Financial Group Operations Council. She will concentrate on operational matters and provide continuing business development support. Ms. May is currently president and chief operating officer at the Bank of Yorktown and she will continue there when she is elected vice chairman.

David M. Chan, currently president of Cole-Taylor Operations Network, will be appointed senior vice president of the Cole-Taylor Financial Group and he will assist Mr. Bauder in carrying out his duties as the chief financial officer.

Robert F. Corey, the executive vice president of Drovers Bank of Chicago, will become the chairman of the trust committee and the chief investment officer for the holding company. The executive vice president of Main Bank, Nels R. Johnson, will be appointed chief credit

officer for the holding company.

"All of these promotions reinforce the vitality of our organization," says Irwin H. Cole, deputy chairman of the Cole-Taylor Financial Group. "The company is shifting into gear so we can achieve new goals. Our master plan is to continue to grow while also sustaining Cole-Taylor Financial Group as a desirable and rewarding place to work."

"We are a family business and we see Mr. Stevens' role as the bond between two generations," says Mr. Taylor. "My sons Scott, Bruce and Jeffrey, as well as my son-in-law Daniel Bleil, play important roles in the operations of Cole-Taylor banks, and they will continue to grow by working through the steps of our organization."

Cole-Taylor Financial Group is a multibank holding company with assets of more than \$1 billion. The holding company consists of five banks and eight locations in the Chicagoland area including Drovers Bank of Chicago; Main Bank located in Wheeling and Chicago; Skokie Trust & Savings Bank with two locations in Skokie on Oakton and on Dempster; Bank of Yorktown in Lombard, and Ford City Bank & Trust Co. located in Chicago and Burbank.

Plus System Network Sees 113% Increase

According to executives at PLUS SYSTEMS, Inc., Denver, Colo., the use of the automated teller machine network by travelers in the United States and Canada is running at twice the level it was a year ago.

Traveling consumers using the PLUS SYSTEM network during the month of August performed more than one million transactions, a 113 percent jump from the 469,000 transactions completed through the PLUS SYSTEM network during August of 1985. During the summer months of 1986, travelers made nearly 3 million transactions through the PLUS SYSTEM network.

According to D. Dale Browning, president of PLUS SYSTEM, Inc., "Volumes have been increasing about 15 percent a month, more than twice the rate we thought they would. This is due, in part, to our increasing cardholder base, which should easily reach 70 million by the end of this year."

The Carpenters Pension Fund of Illinois, covering the State of Illinois and the eastern half of Iowa, announced today a financing program of new and rehabilitation construction projects. The Pension Fund is interested in providing financing of construction and end loans at competitive rates. The servicing of these loans, ranging from \$250,000 to \$2,000,000, will be handled through local banks. The program is available for commercial and residential projects.

For further information, please contact: Frederick A. Westmark, Administrative Manager, Illinois Employee Benefits Corporation, 28 North First Street, Geneva, Illinois, 60134, 312/232-7166.



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Michael J. Litwin Is Promoted by Heller

Michael J. Litwin has been named executive vice president, Commercial Financial Services Group of Heller Financial, Inc. He will be based at the company's headquarters in Chicago.

The appointment was announced by Robert E. Koe, president of the Commercial Financial Services Group. "Mr. Litwin's significant contributions to the success of the Central Asset Based Finance Division, along with his extensive background in leveraged funding, make him the ideal choice to manage Heller's nationwide asset-based financing operations," Mr. Koe commented.

Mr. Litwin will be responsible for overseeing all aspects of Heller Financial's asset-based financing activities, which include corporate restructuring, and merger and acquisition financing. Besides the Chicago



M.J. LITWIN

Central Division, the company maintains divisional offices in New York City (Eastern Division), Atlanta (Southeastern Division) and Los Angeles (Western Division).

Mr. Litwin, 39, joined Heller in 1971, and was appointed assistant general counsel in 1979. He was promoted to senior vice president of the Central Division in 1982, and was named president of the division in 1984.

Mr. Litwin received a Bachelor of Business degree from Western Illinois University in 1969 and a Juris Doctor from John Marshall Law School in 1975. Currently, he serves as an executive director of the National Commercial Financial Association.

United Missouri Elects 3 Directors, 4 Officers

The Board of Directors of United Missouri Bank of Kansas City, N.A. has elected three new directors. They are:

William N. Deraamus, IV, a director of Kansas City Southern Industries, Inc., who also serves as president and chief operating officer for two of the company's subsidiaries,

The Kansas City Southern Railway Company and Louisiana & Arkansas Railway Company.

Clark G. Redick, a vice president and top executive for the Kansas City offices of AT&T. He has worked for the company for 20 years and currently serves as chairman of the AT&T executive council and principal spokesperson for all AT&T entities in the greater Kansas City area. He is also head of the AT&T law department in Kansas City.

Charles M. Skibo, president of US Sprint Communications Company, recently formed through the merger of US Telecom and GTE Sprint.

UMB also announced the following new officer elections:

Stephen G. West to assistant vice president in the commercial loan division of the bank. Formerly an assistant vice president of the holding company, United Missouri Bancshares, Inc., Mr. West joined the company's loan review division in 1985. He was previously a financial examiner for the state of Kansas. Mr. West holds a bachelor's degree in Business Administration from Kansas State University. He also attended the Agricultural School of Banking at Kansas State University

Have checkbook

and the FDIC School for Examiners in Washington, D.C.

Margaret F. Smith to corporate services officer in the corporate services and cash management division, where she is primarily responsible for customer sales of the bank's cash management services. Mrs. Smith was affiliated with Mid-America Payment Exchange prior to joining United Missouri in January. She is currently working on her bachelor's degree in Business Administration from the University of Missouri - Kansas City.

Debra K. Shemwell to assistant operations officer in the operations research division, where she monitors expenses and income of the department and also serves as special project analyst for Operations Management. Mrs. Shemwell joined United Missouri in 1983 after graduating from Northwest Missouri State University in Maryville. She holds a bachelor's degree in Management and Marketing.

LaVena R. Spillars to assistant operations officer in the commercial bank operations division, where she is responsible for supervising personnel and workflow in the collections, freight payment and messen-

ger areas. Ms. Spillars joined United Missouri in 1984. She was previously affiliated with a local data processing firm.

Preferred Stock Offering

Northern Trust Corporation, Chicago, has filed with the Securities and Exchange Commission a registration statement relating to a proposed public offering of 1,050,000 Series B Preferred Stock Interests. Each of the preferred stock interests consists of one-half share of the Corporation's Cumulative Convertible Preferred Stock, Series B.

Goldman, Sachs & Co. and Lazard Freres & Co. is underwriter.

Net proceeds will be used to pay a portion of the cost of the proposed acquisition of First Lake Forest Corporation, a holding company for three banks located in the northern Chicago suburbs of Lake Forest and Lake Bluff. In the unlikely event the acquisition is not completed, the net proceeds will be used for general corporate purposes, including the funding of additional capital investments in or advances to subsidiaries, possible future acquisitions and the repayment of short-term debt.

Boatmen's Makes Changes

Donald N. Brandin, chairman and chief executive officer, Boatmen's Bancshares, Inc. announced recently that Samuel B. Hayes, III has joined the Boatmen's National Bank of St. Louis as president and chief executive officer. Andrew B. Craig, III who was previously chairman, president and chief executive officer of the bank will continue as chairman in addition to his primary responsibility as president of Boatmen's Bancshares, Inc.

Cole-Taylor Group Names New Marketing Coordinator

Kay M. Witham was appointed marketing coordinator for Cole-Taylor Financial Group, Inc. Previously employed at First National Bank of Mount Prospect, Ms. Witham served as marketing director of the bank for the past 2 years.

She has served two years on the board of Northern Ill. Chapter of the Bank Marketing Association, and has been a member of the Cash Station Advertising and Promotion Committee since it originated in 1980.

will travel.

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overline loans, assisting with investments. Max Roy travels Iowa. Kathy Hardy makes calls in Wisconsin and Northern Illinois. Larry Nau visits banks

in Central and Southern Illinois. And John Crotty concentrates on the Chicagoland area. Of course, each is available to any banker in the Midwest. If you'd like to see eye to eye with your correspondent banker, call Drovers toll-free at 1-800-621-8991. In Illinois, call 1-800-572-2498.



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Norwest Offers "Checkfree" Service

BUSINESS clients of Norwest Banks throughout the Upper Midwest will be able to automate their accounts receivable more easily, making collections through electronic funds transfer (EFT) or credit cards, Norwest announced last month.

The capability is a result of a recent Norwest agreement with an EFT firm specializing in data processing and ACH (automated clearing house) consumer marketing.

Norwest's cash management division and Checkfree Systems, Inc. of Columbus, Oh., have entered into the unique alliance which will allow Norwest's commercial customers to collect payments directly from a consumer's bank or credit card account, without requiring the companies to invest in extensive accounts receivable systems.

According to Pat Collins of Norwest's cash management division, the link between Checkfree and Norwest is unique because it is the Ohio firm's first offering of the complete electronic service to customers of a

financial institution. Checkfree currently provides the service directly to businesses, such as utility, insurance and cable companies.

Mr. Collins said Norwest decided to work with the Ohio company in order to give its commercial customers in its seven-state banking region "easier entry into EFT, thus affording them the benefits of improved cash flow, lower costs and improved customer service."

He said the Checkfree system saves companies' time and resources by eliminating the necessity for elaborate data processing systems, preparation of bills, processing, posting and check deposits. The system assures security, with no paper to be lost, stolen or mishandled.

Mr. Collins pointed out that the service also benefits the individual consumer since it eliminates check-writing and postage to mail in the payment. In addition, customers are given flexible payment options.

Under the agreement, Checkfree provides marketing techniques and materials for the companies to sell

the service to their customers. When the customer subscribes to the service and chooses the method of payment (checking account or MasterCard or VISA), Checkfree creates a data base for the individual consumer, notifies the financial institution of the customer's agreement to the transfers and, on the collection date, sends the transaction to the individual financial institution. The amount is paid, and the company is automatically credited with collection. The consumer is kept informed of the payments made from his or her account.

Checkfree handles conversion, product design, research, customer service, marketing, training and implementation for the companies, Mr. Collins said.

The Checkfree service is one in a series of new products offered to commercial customers by Norwest's cash management division, which is headquartered at Norwest Bank Minneapolis.

BMA Debuts New Ad Book

As part of an ongoing effort to aid banks and thrifts in developing print ads that are creative, informative, and successful in drawing new business, Bank Marketing Association is introducing a new monthly publication, *Ad Trends*.

"*Ad Trends* has one purpose: to sift through a huge amount of information, eliminate duplication, and report to marketing professionals on what their competition is advertising and marketing each and every month," said Michael Warner, BMA vice president.

Continental Bank Gets Approval to Buy Banks

Continental Illinois Corporation, Chicago, was notified last month that the Federal Reserve Board has approved its applications to acquire First National Bank of Deerfield, The First Suburban Bank of Olympia Fields and The First National Bank of Western Springs.

Continental Illinois announced its plan to purchase the banks earlier this year. Pending approval by stockholders of the three institutions and final review by the U.S. Department of Justice, closing dates for the transactions are scheduled for December, 1986.

Let's talk about profitability.

The Problem: A \$32 million dollar national bank, with a rural customer base, was experiencing a decline in profitability. For about two years the bank had experienced a high level of loan problems. Two other competing banks in this midwestern town of 11,000 had recently established branches in the growing southern part of town. The bank's deposit base was slowly, but surely eroding. Employee morale seemed very low. The bank's president called Swords Associates.

Our Approach: We developed a strategic plan for the bank. We met with the Board of Directors and key management staff. We assembled information, gathered from data collection assignments and combined this information with data collected on the competing banks.

Next came a two day retreat with Directors and both upper and mid-level managers. We discussed the problems and opportunities with which the bank was faced. Swords Associates received excellent input from all participants. We formulated a comprehensive five year operating plan. We then developed a plan of implementation which identified each

objective and established specific procedural plans necessary to realize the bank's new goals.

At our final meeting with bank personnel, we solicited and received unanimous endorsement of the strategic plan from all involved. The bank's president announced an incentive program in which all bank employees would be rewarded as each goal was achieved. Realizing that the success of the plan was dependent upon monitoring and comprehensive objective evaluation, the bank retained services to periodically review the progress being made and to fine tune the procedural plan as necessary.

The Result: Over the last three years, operating revenues have increased 38%, the bank's ROA has increased from .86% to 1.32%. A branch has been established in proximity to the bank's competitors', directors and officers have instituted a successful calling program, deposits continue to increase, loan demand and quality is favorable, and 12 of 14 objectives have been achieved on time.



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ABA OFFICIALS for 1986-87 are, left to right: Exec. V.P.—**Donald G. Ogilvie**; Immed. Past Pres.—**Donald T. Senterfitt**, vice chmn., SunTrust Banks, Inc., Orlando, Fla.; Pres.—**Mark W. Olson**, pres., Security State Bank, Fergus Falls, Minn.; Pres.-Elect—**Charles Pistor**, chmn. & ceo, RepublicBank, Dallas, Tex., and Treas.—**Thomas P. Rideout**, sr. v.p. & dir. of governmental affairs, First Union Corporation, Charlotte, N.C. These five form the association executive committee.

Mark Olson Heads ABA

By **BEN HALLER, JR.**
Publisher

MARK W. OLSON was installed as president of the American Bankers Association for 1986-87 during the association's annual convention in San Francisco in late October. Mr. Olson is president of Security State Bank in Fergus Falls, Minn. He succeeds Donald T. Senterfitt, vice chairman of SunTrust Banks, Inc., Orlando, Fla., who continues as a member of the five-man executive committee.

Named president-elect was Charles Pistor, chairman and chief executive officer, RepublicBank, Dallas, Tex., while Thomas P. Rideout, senior vice president, First Union Corporation, Charlotte, N.C., continues one more year as treasurer. Joining those four on the executive committee is ABA Executive Vice President Donald G. Ogilvie.

Six bankers were elected to three-year terms on the ABA board of directors. They are:

- Hans H. Angermueller, vice chairman, Citibank, New York.
- Charles D. Brummel, president, Security Bank, Coos Bay, Ore.
- Hugh M. Chapman, president, C&S Corporation, Atlanta.
- Thomas J. Stanton, Jr., chair-

man and CEO, First Jersey National Corp., Jersey City, N.J.

- Robert L. Stevens, president, Bryn Mawr Trust Company, Bryn Mawr, Pa.

- Alan R. Tubbs, president, First Central State Bank, DeWitt, Ia.

These six men join the 10 directors who continue to serve, and the five-man executive committee to form the 21-man ABA board of directors.

In his address, Mr. Olson keyed on the need to revitalize banking laws to permit banks to compete equitably in the areas of lending, securities, and insurance. He said ABA will push aggressively for these product enhancements, as well as pursuing a close of the non-bank bank loophole. Mr. Olson said, "During this coming year we will examine the creation of an ABA Task Force whose job it will be to examine the influence on banking of competitive, economic, technological and population changes. The goals of this Task Force will be to identify the changes that are having the greatest influence on banking today, to assist in a greater public understanding of those changes, and to stress the importance of banker education in preparing our industry to adjust to those changes.

"Identifying change. Informing

the public. Educating the industry. And, yes, seeking legislation when we need it. That's what I perceive as the ABA mission. I hope you will join me in fulfilling it."

In his address, Mr. Senterfitt said, "To the doomsayers of banking I have a message, and I want them to listen very carefully. The banks of America are more than equal to these challenges, and we will maintain—nay, increase—our preeminent position in the financial world. I can describe the state of the industry in a few words. It is dynamic! The report card is excellent! Our industry has remained strong through turbulent economic times."

Mr. Senterfitt detailed the association's two major defeats of the past year. "The first is congressional refusal to act on products and services legislation. The second is Washington's failure to vote for the right kind of tax provisions for banks. The American Bankers Association ought not to settle for that. And it doesn't have to."

Mr. Senterfitt said that despite its critics and detractors in Congress, the Administration and among competitors, the ABA intends to fight back this coming year in a strong move with a positive program to gain the realignment of banking products and powers the industry needs and deserves to bring first-class financial service to the nation's business firms and homes. He made a strong call for personal involvement by the CEO of every bank, and every bank officer who can contribute to working on behalf of improved legislation that will give banking the tools it needs to compete. He called for wholehearted support by all banks for the ABA bill introduced in the last session for ABA by Congressman Doug Barnard of Georgia.

Mr. Senterfitt said he had also made a personal appeal to President Reagan and to Treasury Secretary Baker to play key roles in the first major restructuring of the banking industry in 50 years. To make it all work, he stated, "I challenge the nation's largest banks, the nation's smallest banks, and those in between to remember: Unity—a united effort—is the key...We have the resources to get a tough job done. Let's show that we have the will. Let's go for it!"

Mr. Ogilvie recounted the internal structuring and special projects



THE Minnesota Bankers Assn. and the Federal Reserve Bank of San Francisco co-hosted a reception for new ABA Pres. Mark Olson, pres. of Security State Bank, Fergus Falls, Minn., in the spacious lobby of the Federal Reserve Bank. In the receiving line, left to right, are: Brenda and Robert Parry, pres., & ceo, FRB, San Francisco; Leila and Truman Jeffers, exec. v.p. of MBA; Mary Lou and Roy Terwilliger, pres. of MBA and pres., Suburban Natl., Eden Prairie, and the guests of honor, Renee and Mark Olson.

undertaken by ABA in the past two years to build a base for future action; steps such as the wide-ranging study on the future of agriculture, which now provides Congress and the Administration, as well as ABA, with empirical data to help assess and develop ag policy alternatives; the study to establish a captive liability insurer; spearheading of the effort to establish standards for debit cards; expanding the use of video teleconferences for compliance and information purposes. Mr. Ogilvie stated:

"It's been almost four years now since a major banking bill was signed into law. While Congress has stood still, the marketplace hasn't. Non-bank competitors have moved in. Technology has advanced. Consumers have asked for more and better service. Something eventually has to give. Either the law is changed, or banking will slowly lose

its vital economic function. Either bankers are allowed to compete, or banking will become just another smokestack industry with a bright past — and a very dim future.

"But today we can say that our industry is headed in the right direction. We've cleared the decks of some major problems and now we're ready to move forward.

"That wasn't the case a little over a year ago. Then we were separated by a single issue — interstate banking. Now, the rapid pace of change at the state level has almost made this issue moot.

"We only have to look at the thrift industry to see what happens when the marketplace moves, and the laws and regulations fail to keep pace. We can't let that happen to banking, and we're not going to.

"That's why we're on the move. Our industry — and your trade association — have some tremendous re-

sources, if we choose to put them to work. I sense that we're more united, and more determined to get results, than we have been in many years. So Mark, and Charlie, and Don — and all of you — let's get to it!"

In his general session address, FDIC Chairman L. William Seidman outlined the following steps the FDIC is taking to help end the insurance problem in banks' board rooms:

- Meetings with bankers, trade groups and insurers to foster better communication and understanding and explore solutions.

- Discussions with insurers and reinsurers, in the United States and Europe, to encourage increased insurance availability.

- Working with other regulators to develop guidelines for directors and officers, outlining their duties and responsibilities. Mr. Seidman noted that it would be difficult to sue a director who, in good faith, had complied with the FDIC guidelines.

Chairman Seidman noted that FDIC lawsuits are not a major cause of the insurance dilemma. He stressed that lawsuits are brought by the FDIC against directors and officers only when there is evidence of real negligence or wrongdoing. "We do not file a lawsuit in every case where there is liability insurance coverage, nor do we ignore a potential claim just because there is no insurance. More importantly, no lawsuit is filed without a thorough investigation," he said. Mr. Seidman noted that investigations are lengthy and no suit can be filed without his personal review of the case.

ABA CONVENTION. . .
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SUNDAY BREAKFAST with United Missouri Bank of Kansas City was hosted by (from left): **Lyle Wells**, vice chmn., and his wife, **Anne**, and **Kathy** and **Mick Aslin**, pres. & ceo. **RIGHT—Phil Straight** (standing), exec. v.p. of United Missouri is pictured with guests **Bill Bunten** (left), pres., 1st Natl., Wichita, Kan.; **Ardyth Buttram**, Ponca City, Okla., and **Lanny Kimbrough**, pres., Highland Park B&T, Topeka, Kan.



PICTURED aboard The City of San Francisco excursion ship before taking guests on a Bay cruise were LaSalle National Bank of Chicago hosts (left to right): **John Lynch**, sr. v.p.; **Homer J. Livingston**, pres. & ceo and his wife, **Margie**, and **Peter McGuire**, v.p. & head of the corr. bkg. div. **RIGHT**—**Del Rogers**, v.p., and his wife, **Evon**, and **Wayne Bismark**, v.p., both men with the LaSalle Natl. corr. bkg. div., and guests **Dorothy** and **Ed Arseneault**, pres., Soy Natl. B&T, Decatur, Ill.



LEFT—This Iowa group is made up of, l to r.: **Nell Milner**, exec. v.p., Iowa Bankers Assn.; **Bob Slerk**, exec. v.p., 1st Natl., Iowa City; **Christy Armstrong**, retired pres., American T&S, Dubuque; **H. Clark "Bud" Houghton**, pres., 1st Natl., Iowa City, and **Carleton C. Van Dyke**, pres., American Banc-Services, Inc., Sioux City. **RIGHT**—Leading the Nebraska delegation at the convention were **Stan Matzke** (left), exec. v.p., Nebraska Bankers Assn., and his wife, **Dorothy**, and **Virginia** and **Kelly Holthus**, pres. of NBA and pres. & ceo, 1st Natl., York.



FIRSTIER BANKS of Omaha and Lincoln hosted their reception at the World Trade Club. From left are: **Dick Yeshnowski**, v.p., FirstTier Omaha, and his wife, **Andrea**; **Larry Comine**, sr. exec. v.p., FirstTier Omaha, and **Jan** and **Orrin Wilson**, sr. exec. v.p., FirstTier Lincoln. **RIGHT**—Greeting guests at the Illinois reception were **William Hoyer** (left), exec. v.p. Illinois Bankers Assn., and **June**, and **Joy** and **Chuck Waterman**, pres. of Illinois Assn. and chmn. & ceo, South Holland T&S.



IOWANS at the convention included, left to right: **Russ Howard**, pres., Iowa Bankers Assn. and chmn., Mahaska Inv. Co., Oskaloosa, and **Lee**; **Bill Buntin**, Iowa supt. of bkg. and pres., Peoples Savings, Crawfordsville, and **Kay**; **Henry Royer**, pres. & ceo, Merchants Natl., Cedar Rapids, and **Ann**; **Bob DeWaay**, exec. v.p., Merchants Natl., and **Pam**; **Terry Martin**, v.p., Merchants Natl., and **Dixie**; **Wally Wollenhaupt**, chmn., State Bank of Wapello, and **Myrt**, and **Jerry Trudo**, v.p., Merchants Natl., and **Ruthie**.



From "Tombstones" to TV Spots:

A History of Bank Promotion

By
DIANE NELSON
Associate Editor

AT THE turn of the century, banks considered advertising unprofessional. For a bank to advertise was considered as unethical as for a doctor or lawyer to do so. Of course, the services of doctors and lawyers were required by most people from time to time, whereas the average citizen could do very well without a bank, or at least had no idea what to do with one if he had it. By the 1910's, long before the medical and legal professions would enter the world of marketing, bank advertising was common.

At first bankers were almost shy about promotion. They preferred creating new services to attract consumers. Around 1900 one such idea was the use of small, individual safes for accounts. The rather gimmicky concept of the depositor placing his own currency and coins into a tiny safe may have been the precursor of the safety deposit box, which would become a promotional craze in later years. Christmas Clubs were begun in 1910, in an effort to encourage systematic saving in a culture unfamiliar with that habit. Such services were developed specifically to make the public comfortable with, and interested in, personal banking.

A SUCCESSFUL ADVERTISING CAMPAIGN

Must be based upon facts, conditions, competition and business possibilities in the bank's territory. ¶ The advertising of each bank I serve has my *personal attention*, is planned and prepared after a comprehensive analysis of local conditions. ¶ The cost is kept within the amount the bank can expend for publicity. Information and estimates gladly furnished upon request.

H. B. CRADDICK

Financial Advertising

502-503 Andrus Bldg.

MINNEAPOLIS, MINN.

"Tombstone" Territory

Of course there was still the problem that without advertising, consumers couldn't know about a bank's services. So, with typical dignified modesty, banks began simple advertising. The ads usually featured nothing but the name, city, capital, surplus and deposits of the bank, known in the advertising industry as "tombstone" ads! This was an improvement, but still not exactly the answer to the problem.

In the words of 1913 writer George O. Smith, it became necessary for a bank to "adapt its methods of solicitation to the class of depositors it is desirous of obtaining." A modern PR director might say it was time to analyze the consumer and market accordingly. Ad copy began changing to address particular types of prospects, but remained no more aggressive than a cordial invitation. Mr. Smith recommended: "Individuals, firms and corporations considering a change in their banking connections are invited to open accounts with us." To a reader of the time, this was probably quite catchy!

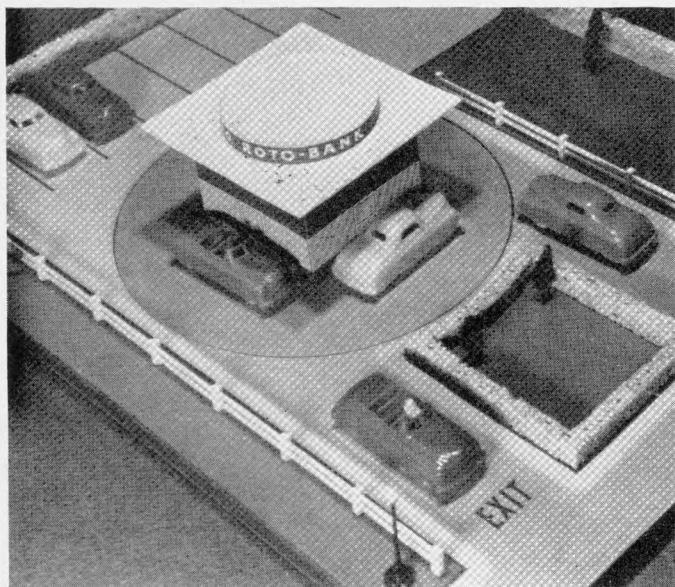
Actually, the art of bank marketing was taking off during this period. By 1916 all large banks had publicity departments, and ad agencies actively sought bank clients. The *NORTHWESTERN BANKER* featured articles on advertising and marketing. S.L. Frazier, in one such feature, recommended lively headlines, generous use of space and, above all, attractiveness. An ad's message, he urged, should be "delivered pithily, pointedly, seriously or humorously, with a 'punch,' and some 'pep.'"

Direct Mail

Direct mail was probably the most popular means of advertising, and banks were quite creative in their use of it. Letters (most moving if signed by the president!), attractive educational booklets, and colorful postcards were used. The consumer reluctant to deal with the red tape of opening an account was sent an imitation pass-book already filled out for him. The citizen without a lot of ready cash might receive a check for fifty cents to be applied toward a new account.

Meanwhile, banks continued their efforts to maintain a good image in the public eye. In 1913 Fred W. Ellsworth, publicity manager for New York's Guaranty

BY 1913, financial advertising was a budding industry, as this *Northwestern Banker* ad shows.



THIS model of the "Roto-Bank," developed by Marine Midland Trust, New York, in 1960, illustrates the dizzying innovations inspired by the age of the drive-in. "Tellers on a turntable" were intended to solve space problems for banks.

ty Trust Company, had three recommendations for building business. First, be flexible regarding your 10:00 to 3:00 hours. Second, have an attractive office. Third, be sure to have good-looking forms and letter-head (he urged that stationery be "tasty and well ordered").

No doubt all these techniques were successful in their way, but a 1928 survey conducted by *Liberty* magazine showed only 5% of Americans used banks. The Crash of 1929 and subsequent bank closings did nothing for people's confidence in financial institutions. Bankers themselves were not always well liked; some even reported having to walk on side streets and alleys so their neighbors would not see them. They were hard pressed to restore the image of banking and rebuild the industry.

Rejecting Depositors

Sometimes, in fact, these two tasks even opposed each other. Around 1940 there was serious debate in the pages of the *NORTHWESTERN BANKER* about the matter of turning away depositors. Just as the case is today for many banks, bankers at that time could not always invest deposits at a high enough return to make the business worthwhile. To many, the idea of turning away business, even if that business meant taking a loss, was unthinkable. They feared losing their customers forever to the Postal Savings Bank, their government-established competitors. Hindsight shows us this didn't happen, but the issue of where to draw the line in serving the customer has always been important, particularly in the area of lending.

The thirties were not without innovation, however. For example, the *NORTHWESTERN BANKER* carried a series of articles on creative use of window displays, an increasingly popular advertising tool. Their three-dimensional visuals brought high impact to the bank's educational messages. One suggestion featured models of a mother and two children in a window frame, with fan-driven paper flames behind them. Whether this really encouraged saving to prepare for possible

disaster is hard to say, but it surely attracted customers to read the attached copy.

In the forties the typical bank's advertising budget went half to newspaper ads, one-quarter to direct mail, and 7% to radio (only one in five people owned a radio). The rest went to various areas, including 2% for street car advertisements.

The Cozy Approach

With all the advancement in bank marketing, the tone of direct mail was still far from hard-sell. Bankers continued to use the cordial, charming approach to reach customers. In 1941 an article suggesting forms for promotional letters from the bank president set forth this recommendation: "I was very glad to notice you were in today to make a deposit on your savings account, in response to our recent invitation. And I hope you will continue with regular deposits. If you do adopt my suggestion of saving some set sum each week, I know that in a year or so from now you will have no reason to blame me for the suggestion."

And so continued the saga of convincing people to have savings accounts. For nearly fifty years the promotional tasks of the bank had remained much the same, but in the 1950's technology brought with it new services for the bank to sell. Along with the advent of drive-in movies and drive-in restaurants came drive-up banking. Banks developed great promotional schemes around their new auto teller windows, as in the case of a Palm Beach, Fla. bank, which brought a sunbather to the drive-up window in a helicopter. The "magic windows" were open 9:30 to 2:00, and record business was 325 cars a day.

New Services Crazes

And banks fell all over themselves inventing creative promotional ideas. Among more typical services like "pennies for parking," a lobby postage machine, and lounge chairs, one bank created a unique "free umbrella service." Six umbrellas were available for check-out in the lobby, for up to five days use by patrons. Another bank blitzed customers with this array of services: "night depository for individuals, bank by mail, personally imprinted checks," and, in the bank build-

BANK PROMOTION. . .

(Turn to page 37, please)



AN Ohio bank took specialty gifts to the limit in 1960. This chic item, although not too popular, caught national attention.



GETTING instruction from **Robert L. Butcher, sr. v.p.**, Holstein State Bank (left), is ag-banking student **Tim Meyer**. RIGHT—**Diane Riesenberg**, consumer banking student, working on-the-job training at the drive up teller window at Security Savings Bank, Eagle Grove. The Holstein and Eagle Grove banks have been extremely cooperative in the banking program.

Program Prepares Students for Ag Banking Careers

A NORTHWESTERN BANKER
interview with
DOUGLAS J. THOMPSON
Banking Coordinator
Iowa Central Community College
Fort Dodge, IA

Editor's Note: When the Agri and Consumer Banking Program was initiated, THE NORTHWESTERN BANKER presented the story to its readers, and reports were made periodically on its progress. This professionally conceived and delivered program has graduated approximately 100 students prepared for careers in agricultural banking. The following article relates some of the highlights of the 12-year old program.

THE Agri and Consumer Banking Program at Iowa Central Community College in Fort Dodge, Ia., has graduated approximately 100 bankers in its twelve years of existence.

Three important factors have made the community college's two-year program a winner at the Fort Dodge Center. First, it was organized and given continuous support by Iowa bankers. Second, it is supervised and taught by an experienced banker. Third, it offers eight weeks of on-the-job training during the first year summer session.

Bank Support

The program was initiated in 1974 by the Iowa Bankers Association, with the help of several Iowa bankers, ICCB officials and the Iowa Department of

Public Instruction. Classes commenced in 1974 under the title Agri-Banking Program. During ensuing years, the department realized that the Agri-Banking Program was quite specialized and that students who were interested in banking, but not agriculture, were required to take the agricultural courses or not enter the program. At the advisory committee meeting August 26, 1978, an idea was discussed. The idea was to give non-farm youths an opportunity to take the banking program without the agriculture emphasis. The advisory committee recommended unanimously that the expanded program be adopted and called the Agri and Consumer Banking Program. The program was put into effect the fall semester of the 1978-79 school year.

Under the new program, all students take the same courses the first year. At the end of the first year, each student decides to take either the ag emphasis or the consumer emphasis. The offered curriculum is broad enough to accommodate either specialty.

Experienced Banker is Instructor

Heading up the Fort Dodge Center program is Doug

Program of Study 80 Weeks

First Semester

Number	Course	Clock Hrs.	Sem. Hrs.
6:151	Accounting 1	54	3
10:101	English 1	72	4
46:150	Principles of Banking	54	3
46:154	Law & Banking	54	3
46:155	Personal Finance	54	3
		<hr/> 288	<hr/> 16

Second Semester

Number	Course	Clock Hrs.	Sem. Hrs.
6:152	Accounting 2	54	3
22:181	Prin. of Economics 1	54	3
40:121	Prin. of Marketing OR		
70:102	Marketing Ag.		
	Products	54	3
46:105	Salesmanship	54	3
46:151	Credit Administration	54	3
46:171	Seminar	36	1
		<hr/> 306	<hr/> 16

Summer Session (8 Weeks)

Number	Course	Clock Hrs.	Sem. Hrs.
46:131	On-the-Job Training	288	4

Third Semester - Consumer Credit Emphasis

Number	Course	Clock Hrs.	Sem. Hrs.
6:161	Data Processing	54	3
40:103	Intro. to Business	54	3
40:130	Personnel		
	Management	54	3
40:147	Agri-Finance	54	3
46:157	Credit Files &		
	Bank Forms	36	2
46:160	Insurance	36	2
		<hr/> 288	<hr/> 16

Fourth Semester - Consumer Credit Emphasis

Number	Course	Clock Hrs.	Sem. Hrs.
40:126	Business Management	54	3
46:152	Bank Management	54	3
46:156	Consumer Credit	54	3
46:161	Real Estate	36	2
46:172	Seminar	36	1
	Voc-Tech Elective	54	3
		<hr/> 288	<hr/> 15

Third Semester - Agri-Banking Emphasis

Number	Course	Clock Hrs.	Sem. Hrs.
40:130	Personnel		
	Management	54	3
40:147	Agricultural Finance	54	3
46:157	Credit Files &		
	Bank Forms	36	2
46:160	Insurance	36	2
70:111	Farm Management	54	3
70:113	Animal Science	54	3
		<hr/> 288	<hr/> 16

Fourth Semester - Agri-Banking Emphasis

Number	Course	Clock Hrs.	Sem. Hrs.
6:161	Data Processing	54	3
46:152	Bank Management	54	3
46:161	Real Estate	36	2
46:172	Seminar	36	1
70:104	Crop Production	54	3
	Voc-Tech Elective	54	3
		<hr/> 288	<hr/> 15

Thompson, who comes from a farm background and is a graduate of Luther College, Decorah, Ia.

Mr. Thompson has career experience that includes five years in park and recreation management and eight years of bank lending experience. In the financial field, he was employed as vice-president of Americana State Bank, Alden, Minn.

Mr. Thompson took over the teaching duties in 1984 from Forrest Johnson, who started the program in 1974. As coordinator, Mr. Thompson works closely with the advisory committee, which consists of six Iowans. They are: Donald Rainer (chairman) formerly vice-president at the Grimes office of Bankers Trust Company, Des Moines, who has served on the committee since the beginning in 1974; Earl Henderson, senior vice-president, First Interstate Bank, Fort Dodge; James Patton, president, National Bank of Rockwell City, Rockwell City; Rick Liska, R.R. 1, Callendar, past graduate of the program; Trudy Koppen, center

manager, Credit Union Center, Fort Dodge, and W.G. Meinen, executive vice-president, Lake City State Bank, Lake City, (resigned from committee last year after 10 years of service.)

On-The-Job Training is A Key

A key part of the two-year program is the on-the-job training students get during one full summer. They spend at least eight weeks at a bank or related business and receive four semester hours of credit for this experience. The on-the-job training is more than an observation session. Trainees are expected to work, and Mr. Thompson follows the progress of each student closely with the employer. Students are compensated while they are training on the job, and this amount, according to Mr. Thompson, typically covers a portion of

AG BANKING CAREERS...

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POST-NASHVILLE **REPORT**

Are you thinking about providing your customers with additional bank services?

- The recent American Bankers Association ag bank conference, which took place in Nashville, raised the challenging issue that profit minded banks must begin offering more services.

Because you are an agricultural bank, R.W.A. Financial Services has good news for you!

- We provide the premier customer service for ag banks: a complete marketing service for your customers' farm commodities.

- R.W.A.'s program is unique, in that it fits into the framework of your bank as an important profit center.

We would like the opportunity to explain to you the other powerful features of R.W.A.'s *lender-centered* marketing service.

- Why do the largest lending institutions and commodity exchanges in the U. S. recognize R.W.A. as the leader in providing market services?

- What can R.W.A.'s program do to more fully secure your loan portfolio?

- What can this program do to enable your institution to be more attractive to the "Blue Chip" farmers with whom you are not currently doing business?

There is another important asset that R.W.A. provides which is crucial to the success of this new customer service!

- R.W.A. Financial Services can sell it to your area farmers! Not only do we provide an excellent state-of-the-art program, we are experts in communicating this concept to your customers!

CALL TOLL FREE

IN IOWA 1-800-247-0940

OUTSIDE IOWA 1-800-553-8018

R.W.A. Financial Services, Inc. 2224 E. 12th St. Box 3189

Davenport, Iowa 52808



LEFT—Michael E. Fitch (left), v.p., Wells Fargo Bank, N.A., San Francisco, and immed. past chmn. of ABA Ag Bankers Division; **Robert W. Ranger** (center), sr. v.p., Norstar Bank of Upstate New York, Utica, the new Ag Bankers Division chmn., with ABA Pres. **Mark Olson**, pres., Security State Bank, Fergus Falls, Minn. **RIGHT—Mr. Ranger** with opening general session speaker **Dennis T. Avery**, sr. ag advisor, U.S. Dept. of State, Washington.



Chapter 12 and UCC Changes Cast Pall Over ABA Ag Conference

By **BEN HALLER, JR.**
Publisher

BANKERS attending the 1986 National Agricultural Bankers Conference at Nashville, Tenn., in mid-November portrayed a true picture of contrasts. Compared to the downbeat mood of the conference at Dallas last year, when community bank closings in the upper midwest were occurring with regularity, there have been far fewer closings in 1986. Also, every banker interviewed expressed cautious optimism that the bottom has been reached for banks so far as identifying problem loans in their banks.

In contrast, however, they offered the caveat that no firm predictions can be made until the ill effects of two bad pieces of legislation for lenders are better known. The first is the new chapter 12 Bankruptcy which allows farmers and bankruptcy judges to determine reorganization plans. It took effect November 27—Thanksgiving Day—and the first Chapter 12 was filed one minute after midnight of that date in Iowa. The second Congressionally enacted law that is detrimental to lenders is the revision in the UCC Lien Law which removes the farm exemption and makes it necessary for lenders to adopt expensive procedures to protect their secured liens.

Speakers at the Nashville Conference, as well as banker registrants agreed on one thing. Both bills will cause added expense being added to all borrowers' bills, but marginal borrowers will probably be denied credit as lenders find it necessary to protect their interests and avoid regulatory criticism.

But the overpowering importance of national politics was brought home dramatically by the presence at the Conference of Sen. Jesse Helms (R., N.C.), current chairman of the Senate Ag Committee; Rep. Ed Jones

(D., Tenn.), a ranking member of the House Ag Committee; nine Congressional staff people, and 10 executives and other representatives of federal departments. The power of politics in agriculture was emphasized for registrants by the fact that four of the general session speeches and 12 of the 23 special sessions centered entirely or in great measure on ag legislation.

Sen. Helms said he sees a bottoming out in farm land values, although reports were being released at Conference time of further declines in most states. He asked bankers not to attack or tinker with the 1985 Farm Bill, stating that "Market orientation is the way to go. Fine-tune it, but don't reverse direction."

Rep. Jones acknowledged that bankers are duly concerned about protection of their security interests now that the UCC Lien Law was revised forcing bankers and all lenders to prenotify all potential buyers of farm products or for states to install a computerized central filing system. He did say if bankers' warnings actually come true then the 100th Congress "will revisit" the Farm Bill. He gave tentative support to creation of a secondary market for bank ag loans, with the requirement that it be a private market, and a concern for its effect on the Federal Land Banks. He referred to the possibility of having the FCS as a secondary market for commercial bank ag loans. Rep. Jones was questioned by bankers about the rejection of banker efforts to amortize farm debt over a 20-year period like the FCS and said he would be willing to seek the same authority for banks.

Robert W. Ranger, chairman of the Conference and of the ABA Ag Bankers Division for 1986-87, presided at the three general sessions, the noon luncheon and the Tuesday night "75th Anniversary Celebration" that celebrated the anniversary of the Ag Division's founding in 1911. A musical salute with a 32-piece or-



LEFT—**Michael Boehlje**, PhD, professor & head, Dept. of Agriculture and Applied Economics, University of Minnesota, St. Paul, discussed "Strategies for Financing Agriculture in the 1990s." **CENTER**—"Preparing for Changes in the Uniform Commercial Code" was the topic handled by **Floyd E. Stoner** (left), ABA fed. legisl. repr.; **Neal Conover**, chmn., 1st Natl., Creston, Ia., and **Barbara Roberts**, Secretary of State, State of Oregon, Salem. **RIGHT**—**Thomas L. Flynn** (left), a Des Moines, Ia. attorney, and **James W. McBride**, dir. & former pres., 1st Natl. B&T, Aurora, Nebr., discussed "Chapter 12 of the Bankruptcy Code."



LEFT—"Tactics for Financing Agriculture" was reviewed with audio-visuals and handouts by the father-son combination of **Paul E. Lindholm** (left), chmn. & CEO, and **Steven Lindholm** (center), v.p., Farmers and Merchants State Bank of Clarksfield, Minn. **RIGHT**—"Long-Term Credit for Agriculture" was handled by **John Lord, Jr.** (left), sr. ag inv. lender, John Hancock Mutual Life, Boston; **Steve Stahly** (center), pres. & CEO, MABSCO Agriculture Services Inc., Des Moines, and **James M. Schurr**, sr. v.p., Farm Credit Corp. of America, Denver.

chestra, followed by dancing, filled the evening.

Dennis Avery, opening general session speaker, said "American farming and agribusiness have been poorly served by our agricultural forecasting efforts in the last 15 years." He noted events of the past decade that led farmers and lenders to pursue a course of expansion that has brought American agriculture to its knees. Mr. Avery said that while doomsayers were making apocalyptic predictions based on short-term, faulty information, they were overlooking technological advances of longer-term consequence that really control the long-term destiny of agriculture world-wide.

From his vantage point of monitoring ag production, plans, variety developments and other research in nations all over the world, Mr. Avery painted a clear picture of the total production capabilities of all nations. American exports, he said, cannot recapture the same level of export markets once held, but creative production and marketing can make a difference. He called for better five-year forecasts that fit a pattern of adhering to long-range forecasts to aid American farmers.

ABA President Mark Olson, president of Security State Bank in Fergus Falls, Minn., pointed to the value of ABA's recently-released "Transition in Agriculture" study. This extensive analysis of the position of American agriculture and lenders, with a blueprint for

community banks' future, is being used by many midwest ag banks to help position themselves for future security as a survivor lender bank in the competition ahead.

Mr. Olson also announced he will reconstitute the ABA Task Force, with an invitation to the Independent Bankers Association of America to make it a unified Task Force, he said, as was done last year. Full details of Mr. Olson's plan, and his other programs for the coming year were published in the December 8 *Weekly Newsletter*.

Registrants were offered five Policy Forum topics and 18 Concurrent Session topics. Many were repeated during the two and one-half days of the Conference.

One of the five "Policy Forum" topics that was presented both Monday and Tuesday was "Transition in Agriculture: A Strategic Assessment of Agriculture and Banking." Sharing the platform were Dr. John A. Hopkin, Stiles Professor of Ag Finance at Texas A&M University, College Station, and Alan R. Tubbs, president, First Central State Bank, DeWitt, Ia., who was ABA Ag Bankers Division chairman when the study was commissioned by ABA. Dr. Hopkin headed the research team that put the study together. Both speakers stressed heavily throughout their talks that agriculture is undergoing a major structural change and is not in a "normal" cycle. The study notes, "Cyclical



PICTURED at the Nebraska Bankers Association reception, from left to right: **Chuck Stones**, dir. of member relations, Kansas Bankers Assn., with his father, **Harold Stones**, KBA exec. v.p.; **Stan Matzke**, NBA exec. v.p., Lincoln; **C.G. Kelly Holthus**, pres. of the NBA and pres. & CEO, 1st Natl., York; **Dale Goff**, v.p., Richardson County B&T, Falls City; **Don Blaha**, pres.-elect of NBA and pres., 1st Natl., Ord, and **Gary Garnick**, exec. v.p., and **Clark Hervet**, v.p., both with 1st Natl., Ord.



GUEST speakers and their hosts at Iowa Bankers Association breakfast were, from left: **Floyd E. Stoner** and **Rusty L. Jesser**, ABA fed. legis. repr.; **Wes Ehrecke**, IBA v.p. for govt. relations and agriculture, and **Paul M. Quam**, chmn. IBA ag comm. and exec. v.p. & CEO, Hayesville Savings Bank, Hayesville. **RIGHT—Roger T. Stewart** (center), sr. v.p., Maquoketa State Bank, Maquoketa, Ia., pictured with his wife, **Jennie**, was honored as winner of the 1986 ABA Bankers News Weekly Grand Award. Pictured with him are **Edward L. Tubbs** (left), chmn. of the bank, and his son, **Alan Tubbs**, exec. v.p. of the bank.



patterns of surplus capacity, low income and migration from the farm have changed the fundamental structure of agriculture, rural communities and agriculture finance. Without new policies and practices, the stress in agriculture and agriculture finance will deepen."

The changes are as profound as the changes that accompanied the mechanization of agriculture, the study notes a move that precipitated the continuing drop throughout the 1900s from a nation with 25 million farms to one with approximately 2 million farms today. For farmers and their lenders to survive, the study says, both must understand the "Transition in Agriculture" and adapt to it. That is the purpose of the study's work book that is available to all community banks—to learn how to adapt, diversify and develop new management, lending and operational techniques.

The "Long-Term Credit for Agriculture" Policy Forum drew a full house both times. John Lord, Jr., senior ag investment lender for John Hancock Mutual Life Ins. Co., Boston, said he'd "like to see banks re-establish a correspondent relationship with life companies like the ones that used to exist. This could lead to larger pools for securitization of ag loans," he stated. He added he's looking for the Cooper Evans (Iowa representative) bill that would provide a government guaranty (FmHA) for 90% and leave the lender at risk for 10%.

Steve Stahly, president and CEO of MABSCO Agriculture Services, Inc. (MASI), Des Moines was on the panel with Mr. Lord and described MASI's one-stop credit where MASI takes up to 80% of the loan and the bank retains the rest on a 3 to 5-year basis up to 60% of valuation. He said "we have a triple A bank that will enhance the credit and can sell AAA bonds. This can be done," he said, "without government involvement to establish a secondary market. We may securitize 90%, or even 100%." Mr. Stahly said "MABSCO can't do this alone in the United States but needs the investment of life insurance companies and others."

It was noted several times during the conference that ABA is pursuing the secondary market concept as well, either within private industry or as a government-sponsored, privately run market.

On the other hand, while taking part in the "Government's Role in Credit for Agriculture" concurrent session, Frank W. Naylor, Jr. chairman of the Farm Credit Administration, McLean, Va., made it plain he opposes formation of any other ag loan secondary market, whether by private lenders or by the federal government.

The "Chapter 12" concurrent session drew another

AG CONFERENCE. . .

(Turn to page 45, please)

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Illinois

C.E. Waterman, pres., South Holland
W.J. Hocter, exec. v.p., Chicago



Illinois' Leading ATM Networks to Merge

THE two largest shared automated teller machine networks in Illinois have agreed to merge, with member approval, creating one of the largest networks in the country, according to officials of the two systems.

The two networks, Cash Station and Money Network, will form a new electronic funds transfer network to be called Money Station.

Money Station will have nearly 1.3 million ATM cardholders, 2.7 million transactions per month, over 250 member banks, savings and loans, and credit unions, and more than 800 ATMs.

The consolidated network will be visible to customers during the second quarter of 1987 with consolidation details and transition efforts to be conducted for the balance of 1986 and early 1987.

John J. Hunt, president and CEO of First National Bank of Northbrook and president of Cash Station,

has been elected the president of the Money Station. Henry W. Tymick, vice president, W.N. Lane Interfinancial, Northbrook has been named vice president. Marten J. Noll, president, First Security Bank of Chicago, has been elected as secretary. Elected treasurer is Charles J. Olson, senior vice president, Commercial National Bank, Chicago.

Midwest Payment Systems of Cincinnati, Oh., the data processing affiliate of the Fifth Third Bancorp, Cincinnati, will be Money Station's computer processing vendor.

Cash Station's current switch provider, The First National Bank of Chicago, reached an agreement to sell its interest in the Cash Station switch to the Fifth Third Bank of Cincinnati. First Chicago's sale of the switch helped smooth the way for the new network. Terms of the deal were not disclosed.

Officials said that Money Station will afford current and future finan-

cial institution members potential long-term operating cost reductions and customer access to hundreds of additional ATM locations. It will also potentially facilitate a second generation of EFT programs, possibly to include a network POS capability, so as to further benefit their members' customer base.

Appointed in Galena

Howard Poitevin has been appointed as chief executive officer of the First National Bank of Galena, effective Nov. 1.

In addition, Richard Weis has been named senior vice president of the bank in charge of operations.



H. POITEVIN

Mr. Poitevin joins the bank from Anita, Ia., where he was president and CEO of the Anita State Bank. He also served in the U.S. Air Force from 1952-56.

Named in Skokie

Harold A. Chmiel has been appointed vice president of corporate banking at Skokie Trust & Savings Bank.

He joined the bank in February as assistant vice president of corporate banking. His previous experience includes over 12 years at two Chicago area financial institutions.

Illinois Bankers Attend RMA Annual Conference



DIGNITARIES of the Chicago Chapter of Robert Morris Associates were among the 1,500 bankers and spouses who attended RMA's 72nd annual Fall Conference held recently at the Hyatt Regency Hotel in Houston, Tex. Left to right: Chapter Pres. and Mrs. **Lee Gubbins**, Bank of Lincolnwood; Chapter First V.P. and Mrs. **John T. Gerlits**, Amer. Natl. Bank, Chicago; Chapter Treas. **Harvey L. Herrst**, Zion St. Bank; **Joyce Ketlar**; and Immed. Past Chapter Pres. and Mrs. **Michael W. Kiss**, First Natl. Bank, Highland Park. RIGHT—Officers of the Central Illinois Chapter of RMA are, left to right: Chapter Pres. **Karl D. Tauber**, The First Natl. Bank of Decatur; Immed. Past Chapter Pres. **Gerry L. Suggs**, First Natl. Bank, Springfield; **Jane Tock**; and Chapter First V.P. **Steven J. Tock**, First Natl. Bank in Champaign.

Named in Rockford

Douglas R. Hancock has been named assistant vice president at AMCORE Bank Colonial, Rockford.

He will be in charge of the installment loan department. He was previously banking officer at AMCORE Bank, N.A., Rockford, where he had been employed since 1973 in various lending capacities.



D.R. HANCOCK

in a similar position at Suburban Trust & Savings Bank in Oak Park, where she worked for the past six years.

* * *

James R. LaFrenere has been named group manager of operations at Affiliated Banc Group, Inc.

He joins Affiliated from Cooper & Lybrand, where he was a divisional vice president. Prior to that, he was divisional vice president at Decimus Corporation in Elk Grove Village, a nationwide supplier of data processing services to financial institutions.



J.R. LAFRENERE

* * *

First Colonial Bankshares has announced that it intends to repurchase from time to time up to \$3.5 million of its own Class A common stock.

Sam S. Fawley has been named senior vice president and senior lending officer of Northbrook Bank.

He joins the bank after serving 36 years with Harris Trust where he was vice president and administrator of a lending division.

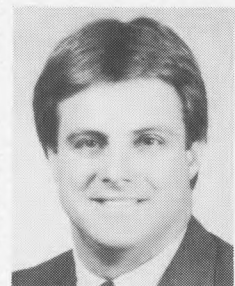
* * *



S.S. FAWLEY

Mark E. Frighetto has been promoted to vice president and compliance officer at Community Bank of Edgewater.

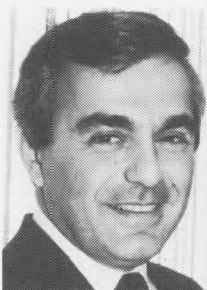
Prior to joining the bank, he was assistant vice president at Michigan National Bank, where he also served as a commercial loan officer.



M.E. FRIGHETTO



Tory A. Campanella, president of The Northlake Bank, has been appointed chief operating officer, and William R. Duquaine, president of Colonial Bank & Trust Company, has been named chairman and chief executive officer of The Northlake Bank.



T.A. CAMPANELLA

In addition, Mr. Duquaine and James P. Trunck, vice president of First Colonial Bankshares, have been elected to the bank's board.

* * *

Laura L. Linhart has been appointed assistant vice president of teller operations at Ford City Bank & Trust Co. (Chicago and Burbank). She was most recently employed

ICBI Elects Officers at Convention

ATTENDANCE records were broken at the Independent Community Banks in Illinois' 12th annual convention and exposition held September 27-30 at the Ramada Renaissance Hotel and Prairie Capital Convention Center in Springfield. Nearly 400 bankers, spouses and exhibitors participated. Fred Paige, president, Farmers State Bank in Elmwood, was elected ICBI's president at the association's annual business meeting held September 29.

Elected first vice president of the ICBI was Dean Easton, president, Pontiac National Bank. Wilfred Cross, president, First National Bank of Oblong, was named Central Illinois regional vice president. John Crotty, senior vice president of correspondent banking, Drovers Bank of Chicago, was re-elected Cook County regional vice president. James Caspary, president, First National Bank, Clifton, was named Northern Illinois regional vice president, and Ed Williams, president and CEO, Peoples National Bank, Lawrenceville, was elected Southern

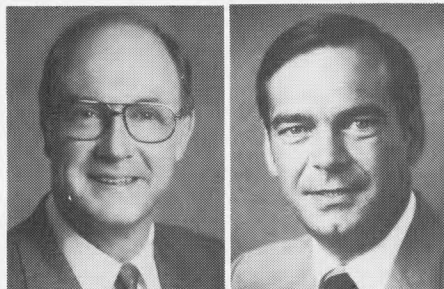
Illinois regional vice president. Marland Kelly, executive vice president, First National Bank, Sparta, was elected treasurer, and Darrel Hilst, executive vice president and trust officer, State Bank of Havana, maintains an active role on the executive board as immediate past president and chairman of the education committee.

Group chairmen that were appointed to the 1986-87 board of directors were: Anthony DeMaria, president, Austin Bank, Chicago; John Ramey, president, Mt. Greenwood Bank, Chicago; William Stake, exec. v.p. & cashier, State Bank of Union; Robert Marshall, president, Tonica State Bank; Joe Witte, exec. v.p., First Trust & Savings Bank, Watseka; Bob Beier, president, Farmers & Miners Bank of Ladd; Dennis Neal, exec. v.p., Havana National Bank; Ronald Lading, president, Strasburg State Bank; Williams Lykins, president, First National Bank, Raymond; Kenton Miller, exec. v.p., State Bank of Patoka; Lester Mittendorf, president, City National Bank, Metropolis; Mel Hebert, president, Crossroads Bank, Effingham.

Other board members include: Jerry Meyers, chairman, Hinckley State Bank; Jim Winningham, president, State Bank of Arthur, and David Combs, president, First National Bank in Taylorville.

Wisconsin

R.J. McClellan, pres., Janesville
B.K. Koontz, exec. dir., Madison



services and bank administration and performance.

David C. Beck has been elected chairman and CEO of the corporation. He previously served as president and CEO. He joined First Interstate in 1966 and was instrumental in the formation of the holding company in 1969.

Richard D. Pauls has been elected chairman of the executive committee of the corporation. He will assume responsibility for the corporation's new and non-traditional banking services, including the existing trust and insurance subsidiaries. He is also responsible for strategic planning and the corporation's market planning, research and product development functions. He has been with First Interstate since 1967.



R.D. PAULS

H.G. WEBER

Herbert G. Weber has been elected president and COO of First Interstate Corporation of Wisconsin. He previously served as executive vice president and chief financial officer and has been with First Interstate since 1970.

Joined in Menomonee Falls

Alan W. Banach has joined F&M Bank Menomonee Falls as vice president in the commercial department, and Charles L. Vollmer has joined the bank as assistant vice president in the commercial department.

Mr. Banach, prior to joining the bank, was with the Marine Bank since 1973. Prior to joining the bank, Mr. Vollmer was with Capital Investments, Inc. of Milwaukee.

Change in Spring Green

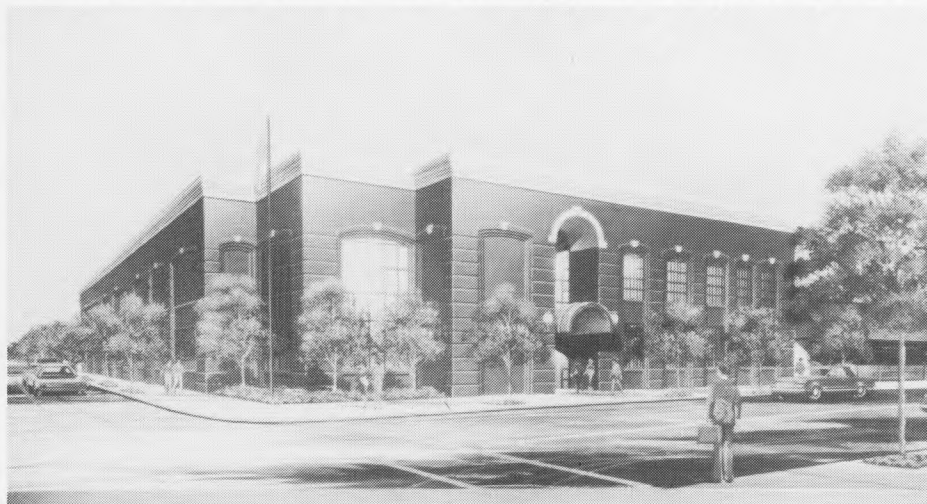
The Bank of Spring Green has changed its name to "Valley Bank." The change includes the adoption of the Valley Bank logo designed for all banks affiliated with Valley Bancorporation.

Currently, Valley Bancorporation

WISCONSIN NEWS...

(Turn to page 32, please)

New London Bank Begins Expansion



THE First State Bank of New London's \$2.5 million expansion of its main facility is expected to be finished in December 1987.

THE First State Bank of New London has undertaken a \$2.5 million expansion of its main office facility.

Bank Building Corporation of St. Louis, Mo. will design and build the facility.

The multi-phase expansion program involves the demolition of an adjacent structure and construction of a new facility in its place. The existing 1909 main office facility will be totally renovated and both buildings will be tied visually and functionally together into a single, 24,000 square foot building. The traditional two-story brick exterior will tie in strongly to the 1890-1920 vintage downtown area of which it will be a prominent part.

The renovation and expansion will allow First State Bank to provide more area for customer service. The new facility will give customers greater privacy in their transactions, add over 600 safe deposit boxes and make available more space for computer operations. In addition, a special community service area has been designed for the front of the bank. The new facility is

expected to accommodate the bank's growth for at least the next 10 years.

Demolition of the adjacent building began in August and the entire project, including both the new building and the renovation of the existing structure, is expected to be completed in December 1987.

First Interstate Corp. Realigns Sr. Management

First Interstate Corporation of Wisconsin has announced a realignment of its senior management in response to the rapid growth of the company and the major changes taking place in the financial services industry.

The realignment will divide overall responsibility in the areas of corporate expansion, the development and delivery of new and non-traditional banking



D.C. BECK

Minnesota

R.W. Terwilliger, pres., Eden Prairie
T.L. Jeffers, exec. v.p., Minneapolis



FBS and TYME Announce Shared ATM Agreement

First Bank System and TYME Corporation have announced an agreement to share their respective automated teller machine networks.

Effective December 1, 1986, the First Banks and FASTBANK member banks who elect to participate can provide cardholder access to 702 TYME terminals in Wisconsin and Michigan. In addition, any TYME members who elected to do so can provide their cardholders access to 300 FASTBANK locations in Minnesota, North Dakota, South Dakota, Montana and Wisconsin.

There are approximately 1,000,000 cardholders in the FASTBANK network and 2,000,000 TYME cardholders.

TYME Corporation, founded in 1975, was the first shared electronics funds transfer system. The system now averages about two million transactions a month. TYME Corporation has 442 member financial institutions.

The FASTBANK network began operations in 1978. Currently, the ATMs handle about 1.1 million transactions a month. FBS, which has sharing agreements with two other networks, is also a founding member and one of 35 proprietary members who own the Plus System, Inc., an international network of ATMs. One hundred sixty-five banks participate in the FASTBANK network, including 79 First Banks located in Minnesota, North Dakota, South Dakota, Montana, Wisconsin, and Washington.

MBA Accepting Enrollments

Enrollments are now being accepted for the 1987 sessions of the Minnesota Bankers Association Minnesota School of Banking, commercial lending school and the Midwest Banking Institute.

The Minnesota School of Banking

will be held June 21-26, 1987 at St. Olaf College in Northfield. The commercial lending school, also at St. Olaf, will be held August 9-14, 1987. The Midwest Banking Institute will be held July 19-24, 1987 at the University of Minnesota in Morris.

Due to tremendous demand, it is suggested that applications be submitted as soon as possible.

The February 1987 session of the MBA bank operations school at the Radisson Arrowwood Resort in Alexandria is already full. However, applications for the 1988 session are now being accepted.

The association's newest school, the MBA compliance school, will be held March 25-27, 1987 at the Minneapolis Athletic Club. Details are currently being finalized and enrollment will open soon.

For more information on the banking schools, contact Wayne Berthiaume at (612) 338-7851.

Richfield Bank Introduces New Service

Richfield Bank and Trust Co. has introduced a new service to consumers called "One-Stop Banking." The service gives users access to a wide range of banking services through their telephones.

Using a tone-generating (touch-tone) telephone, customers can obtain account balances, find out what checks have cleared and transfer funds between savings and checking accounts. They can also get current interest rates paid by the bank, find out interest they've earned to date and verify their last deposits.

The system uses a voice interface to link the customer's telephone with the bank's data system.

Security in the use of the system is provided by multiple levels of customer codes to insure the privacy and confidentiality of all transactions. Consumers are invited by the bank to call 861-1789 for a brief

demonstration of how the system works. Further consumer questions can be answered at 861-8380.

The main reasons for the bank's decision to proceed with the service were twofold. Improved productivity, in the form of reduced person-hours spent answering balance inquiries, transfer requests, and check clearings, will result from the introduction of the system.

In addition, the bank's main facility in Richfield has a heavy concentration of customers over the age of 55. Telephone banking is seen as a very effective way to augment this segment with increased market penetration in the 25 to 45 age group, according to the bank's vice president—marketing, James Ryan.

The introduction is targeted first at existing customers in the balance of 1986 and the first quarter 1987 kick-off is aimed at non-customers. Direct mail will be the primary promotional vehicle. Evaluation of the initial campaign response rate will be used to determine type and extent of on-going marketing efforts.

Changes Told in St. Cloud

Terry Kurowski has been named real estate department manager of Zapp National Bank, St. Cloud. He has been with the bank for three years.



T. KUROWSKI

R. EIYNK

Randy Eiynek has been added as real estate mortgage lender at the bank. He was previously associated with Zapp Abstract and Title Company.

Joined in Redwood Falls

Norwest Bank Redwood Falls, N.A. has announced that Dean Bloemke has joined the bank as vice president, commercial loans. He has 13 years of lending experience.

Prior to joining the bank, he spent the last 10 years with First National Bank of Waseca in a number of lending positions.

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



**Marquette Bank
Minneapolis** Member FDIC

Correspondent Services Division/Investment Department





Twin Cities

First Bank System has elected **M. Claire Canavan**, senior vice president of funds management. She has been associated with the First Banks since 1976, when she joined First Bank Minneapolis as a credit analyst. In 1977, she was appointed commercial banking representative and was promoted to commercial banking officer in 1978. In 1979, she joined the bank's resources management/strategic planning department and was promoted to assistant vice president of financial planning and systems in 1981 and to vice president in 1983. She joined the metro treasury department of the capital markets group as vice president in 1984. She assumed responsibility for FBS's fund management activities in March 1986.



M.C. CANAVAN

FBS also announced the following vice president appointments in its fund management departments.

David R. Edstam has joined FBS as vice president of funding. He most recently served as manager of Bank of America's global U.S. dollar interest rate swap group. Prior to that, he was associated with Seattle First National Bank where he managed the money markets and treasury department.

Russell W. Swansen has joined FBS as vice president of investment portfolios. He was previously with Washington Square Capital in Minneapolis, where he served as vice president and portfolio manager. Prior to that time, he served as an investment officer for First Bank Minneapolis.

Joseph M. Ulrey, III has been pro-

moted to vice president of asset/liability management. He most recently was assistant vice president of funds management planning and analysis for FBS. He had served as an analyst in the asset/liability management area in the company metropolitan financial planning and analysis department. He has been associated with FBS since 1981.

* * *

American National Bank of Saint Paul has announced the promotions and additions of staff to its bank.



R.L. NELSON



R. FLESVIG

Robert Nelson has been promoted to senior vice president and will assume responsibility for overall group management of the commercial division and the international division, along with his current responsibilities of construction aircraft, sales finance and leasing. He will serve on the policy and planning committee and on the executive credit committee. He joined the bank in 1979.

Richard Flesvig has been promoted to vice president of credit administration. He will chair the senior credit committee and will be a member of the executive credit committee. He joined the bank in 1985 and has been a vice president in the correspondent division.

Edwin J. Malloy joins the bank as assistant vice president in the executive and professional banking department. He previously was a

branch manager for First Minnesota Savings Bank.

Joining the bank as a trust officer with responsibility for employee benefits plan administration, is **Debra L. Rusch**. She was previously employed by Richfield Bank & Trust in a variety of employee benefits administrative positions.

* * *

Western Insurance Agency of St. Paul has acquired the Keller Insurance Agency of Roseville. The new agency, which will be called Western/Keller Insurance Agency, is leasing 1,200 square feet of space in the Western Bank Building at 1740 Rice St. in Maplewood.

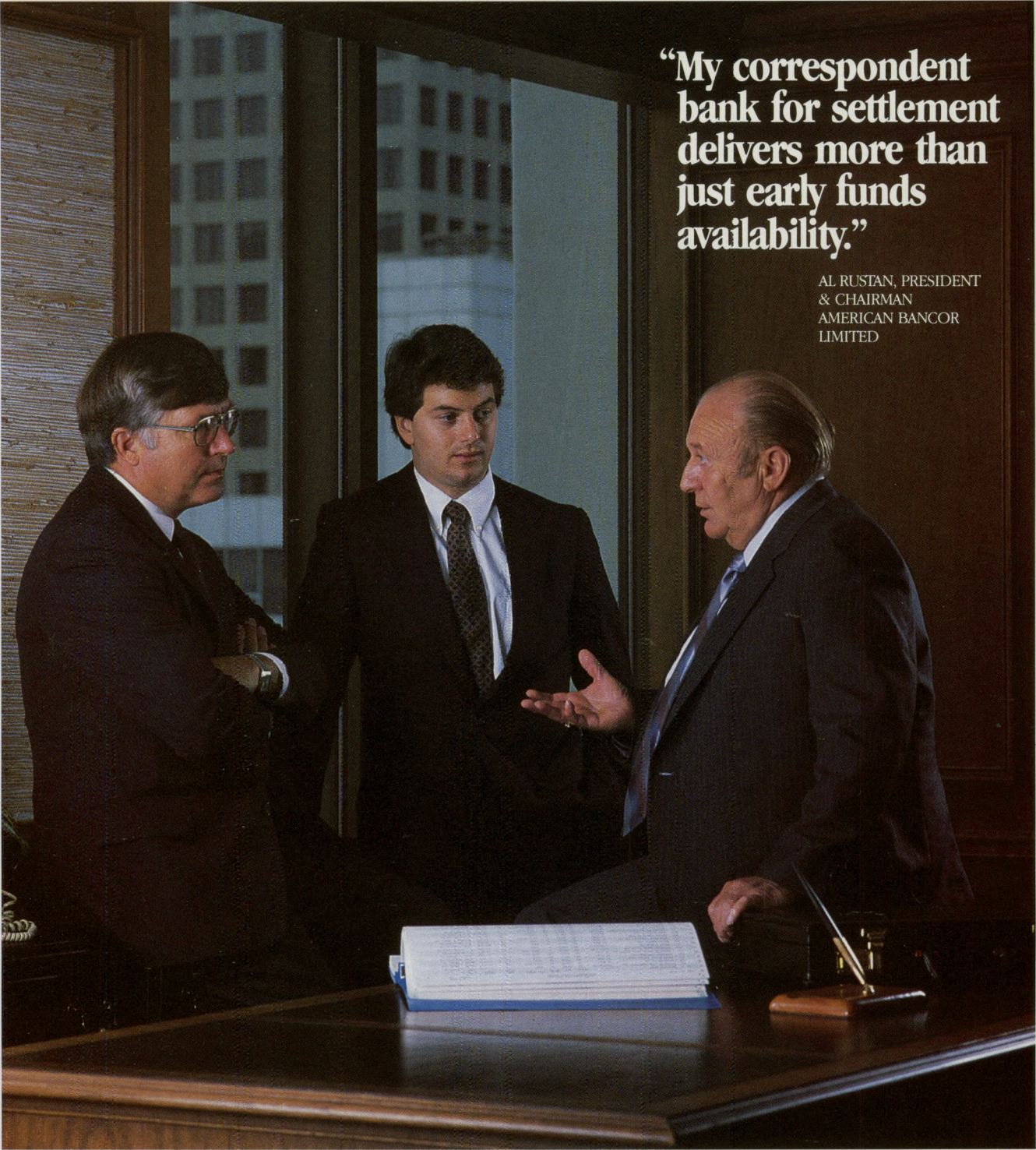
The agency has six full-time employees. In particular, **Duane States** and **Bob Pagel**, principals of the Keller Insurance Agency, bring a combined 51 years of experience to the new agency.

Western/Keller Insurance Agency is affiliated with Western Bank of St. Paul, a full-service bank with offices in St. Paul, Maplewood and Oakdale. Western Bank was founded in 1915 and has total assets of \$75 million.

* * *

The First Bank of Minnesota, West St. Paul, is now the First National Bank of West St. Paul following approval of the Comptroller of the Currency for a national bank charter. The bank was organized as a state chartered institution in 1923 and operated as the West St. Paul State Bank until its name was changed two years ago to the First Bank of Minnesota, West St. Paul.

The two detached facilities located at 918 S. Robert St. and 1025 Dodd Road will continue to offer the same banking services with the same personnel. The main office of

A black and white photograph of three men in business suits standing in an office. The man on the left is wearing glasses and has his arms crossed. The man in the middle is gesturing with his hands while speaking. The man on the right is listening. They are in front of a large window that looks out onto a city skyline. A desk with papers and a pen is in the foreground.

**"My correspondent
bank for settlement
delivers more than
just early funds
availability."**

AL RUSTAN, PRESIDENT
& CHAIRMAN
AMERICAN BANCOR
LIMITED

Al Rustan is a smart banker. The performance of the three North Dakota banks in his holding company, American State Bank and Trust of Dickinson, American State Bank of Killdeer, and American State Bank of New England, proves that point. And Al knows a value when he sees one. That's why American National Bank of Saint Paul is his correspondent partner for every settlement service for each of his banks.

For Al, the value is not just the profit that American's cash letter, early funds availability, ACH, wire transfer and other services add to the bottom line. It's the people and expertise behind the

services. Al knows he can call on American correspondent bankers Bob Jacobson and John Seidel at anytime to get advice, solve a problem or answer a question. And Bob and John are a value no other correspondent can deliver.

If you're looking for a transaction settlement correspondent that delivers more, perhaps it's time for a change.

A M E R I C A N
NATIONAL BANK • SAINT PAUL

the bank, which was recently renovated, is located at 66 E. Thompson Ave., West St. Paul.

* * *

The First Banks have promoted the following to vice president status: **Catherine P. Dudley** and **Christina M. Kennedy**, human resources services; **Michael M. Fordney**, special loans—commercial; **Rolland E. Glessing**, wholesale/retail; **Beth A. Gloppen**, commercial loan operations; **Marilyn A. Grochala**, financial institutions; **Peter W. Kooman**, national east division, and **Barton D. Warren**, national west division.



C.P. DUDLEY

C.M. KENNEDY



M.M. FORDNEY

R.E. GLESSING

Ms. Dudley joined the bank in 1964 and had been an assistant vice president and manager in human resources since 1984. Ms. Kennedy joined the bank in 1985 as an assistant vice president and human resources manager.

Mr. Fordney has been an assistant vice president in natural resources since 1984. Mr. Glessing, who joined the bank in 1979, had been an assistant vice president in the retail/wholesale division since 1982.

Ms. Gloppen, who joined the bank in 1979, had been an assistant vice president in commercial loan operations since 1984. Ms. Grochala joined the bank in 1979 and had been an assistant vice president in the financial institutions division since 1984.

Mr. Kooman joined the bank in 1984 as an assistant vice president in the national east division. Mr. Warren, who joined the bank in 1981



B.A. GLOPPEN

M.A. GROCHALA



P.W. KOOMAN

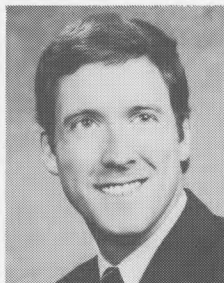
B.D. WARREN

as an assistant vice president in the national central division, had been an assistant vice president in the national west division since 1983.

* * *

St. Anthony Park State Bank has announced the election of **Ross G. Kroeber** as a new assistant vice president.

His banking career began at Community National Bank of Grand Forks, N.D., where he worked in the installment lending department. Previously, he worked as an agricultural loan officer with the Bremer Bank System, and most recently worked as a commercial loan officer at Northeast State Bank of Minneapolis.



R.G. KROEBER

* * *

First Bank System Foundation has announced that 34 Twin Cities arts organizations will receive \$85,000 in grants through its 1986-87 Small Arts Funding Program. The groups represent dance, music, theater, literary arts, visual arts and arts service organizations and have operating budgets of under \$400,000. The program was developed to acknowledge the significance of small and medium-sized arts organizations in the community as well as their artistic excellence.

Since 1982, First Bank System

has maintained this commitment to assist small arts groups in a time of declining support for their activities.

Elected in Red Wing

Paul W. Maahs has been elected consumer loan officer at Norwest Bank Red Wing, N.A. He joins the bank from Norwest Bank LaCrosse, N.A., where he held the same position. Before joining Norwest in 1984 in St. Paul, he began his career with a national consumer financial corporation.

Appointed in Bloomington

A.L. Maxson has been appointed to the board of MetroBank Bloomington—Minneapolis—Airport. He is vice president for Northwest Airlines.

WISCONSIN NEWS...

(Continued from page 27)

consists of 33 member banks with 75 service locations throughout Wisconsin.

Westby Bk. Shares Acquired

William H. Rodd, chairman and CEO of Central Wisconsin Bankshares, Inc., a multi-bank holding company, headquartered in Wausau, and Lincoln V. Knutson, president of Westby-Coon Valley State Bank, Westby, announced that approval had been received from the Federal Reserve Bank, for Central Wisconsin Bankshares, Inc. to acquire approximately 65% of the outstanding shares of the bank. The transaction is now subject to approval from a customary Justice Department review and is expected to be completed by December 31, 1986.

Total assets of the bank as of September 30, 1986, were approximately \$45 million. On the same date, Central Wisconsin Bankshares, Inc. had total assets of \$704 million.

This acquisition brings the total banking affiliates of Central Wisconsin Bankshares, Inc. to 14 with 31 locations throughout northern, western and central Wisconsin. In addition, plans for the affiliation of the Bank of Plover, were announced in early September, 1986. It is anticipated that this acquisition will be completed in the first quarter of 1987, with consolidated assets approaching \$800 million.

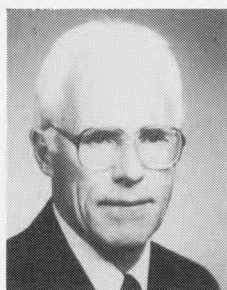
South Dakota

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



Beresford Bank Acquires Seven Norwest Branches

At closing ceremonies November 1 in Sioux Falls, First National Bank of Beresford completed the purchase of seven branches from Norwest Bank South Dakota. The agreement to sell the branches had been announced last January by Norwest Corporation at the same time it announced the sale of eight of its banks in southern Minnesota. Regulatory approval was received in October.



F. FARRAR

The offices purchased by First National Bank of Beresford are in Bristol, Britton, Hecla, Lake Preston, Newell, Parker and Springfield. First National Bank is owned by Frank Farrar, former Governor of South Dakota, who resides in Britton. Mr. Farrar owns banks in Indiana, Illinois, Kansas, Minnesota, Montana, North Dakota, South Dakota and Wyoming.

Closing formalities for the sale, effective November 1, took place at Sioux Falls headquarters of Norwest Bank South Dakota, which now has 33 branches in 21 South Dakota communities.

On the September 30 call date, the seven branches had total deposits of \$58 million and 40 employees.

When the sale agreement was announced last January, Lloyd P. Johnson, chairman, president and CEO of Norwest Corporation, Minneapolis, said the decision to sell the seven branches and eight banks was made because "we concluded that we simply have more banks than we need in these areas."

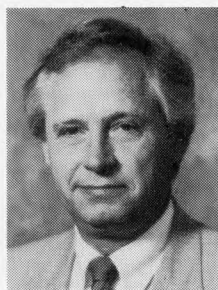
Mr. Farrar indicated at the time of the January announcement his intention to keep existing staff and

management personnel at the seven branches.

Norwest Corporation now has \$19.6 billion assets with 77 commercial banks and several specialized financial companies operating in 44 states and internationally.

Norwest Elects President

Norwest Corporation has announced that Gary G. Olson has been elected president of Norwest Bank South Dakota, Sioux Falls. He was vice chairman. C.P. "Buck" Moore, who was president, continues as chairman and CEO.



G.G. OLSON

Mr. Olson joined Norwest in 1963 at Norwest Bank Huron. Since then he has served as branch administrator in the Sioux Falls branch system and, from 1982 to 1984, as president of Norwest Bank Aberdeen. He returned to Sioux Falls as vice chairman of Norwest Bank South Dakota in 1985 when all Norwest banks in the state were consolidated into a statewide bank.

A native of Huron, Mr. Olson is a graduate of South Dakota University in Brookings, the Midwest School of Banking and the Graduate School of Banking in Wisconsin.

First Bank Announces Staff Elections

The board of First Bank of South Dakota (National Association) has announced a number of staff elections.

John R. Eikanger has been elected vice president, First Bank Madison. He joined the bank in 1979 as a management associate, was elected a loan officer a year later,

and promoted to assistant vice president and retail banking manager in 1983.

Thomas L. Flynn has been elected assistant vice president of First Bank Rapid City. He joins First Bank of South Dakota after serving as the controller for Oklahoma Typewriter Company, Inc. He brings with him five years of banking experience he gained while employed with First National Bank and Trust Company in Oklahoma City, Okla.

Carol J. Rysavy has been named assistant vice president, trust services division, Sioux Falls. She joined the trust department in 1969 and most recently served as operations officer, a position she continues to hold.

At First Bank Aberdeen, Bruce J. Haerter has been elected assistant vice president, and David A. Rozenboom agricultural loan officer. Mr. Haerter joined the bank in 1977 and was elected an installment loan officer in 1980. Mr. Rozenboom joined the bank in 1985, entering the entry level professional development program, and was promoted to an agricultural loan representative earlier this year.

Norwest Ag Credit President Named

Norwest Corporation has named Don C. Anderson as president and chief operating officer of Norwest Agricultural Credit, Inc., Sioux Falls. He was senior vice president and agricultural business segment manager for Norwest Bank South Dakota.



D.C. ANDERSON

C.P. "Buck" Moore, regional president for Norwest banks in South Dakota and Montana, continues as chairman of Norwest Agricultural Credit.

Headquartered in Sioux Falls, Norwest Agricultural Credit has lending offices in Spencer, Ia.; Fairmont, Minn., and Lexington and York, Neb. It is funded by Norwest Corporation to supplement credit available to agricultural producers and agri-businesses from Norwest banks.

Mr. Anderson joined Norwest in

1974 at Norwest Bank Aberdeen following nine years as a cattle buyer with George A. Hormel & Co. in Minnesota, Montana, Nebraska, Oklahoma and South Dakota.

He moved to Sioux Falls in 1983 as executive vice president in charge of branch administration at Norwest Bank Sioux Falls. Following the consolidation of Norwest's South Dakota banks in 1984, he was named senior vice president and agricultural business segment manager of the statewide bank.

Huron Bank Names V.P.

David L. DeVos has been named vice president and manager, farm loan department, for Farmers & Merchants Bank, Huron. He fills the position previously held by Lynn V. Schneider, who was promoted to president recently.

Mr. DeVos joins the bank after 12 years with the Farm Credit System, most recently as regional vice president with the Watertown Regional Farm Credit Banks of Omaha, Neb.

Norwest Changes Told

The following staff changes have been announced by Norwest Bank South Dakota, N.A.

Michael Turnwall, personal banking officer in Chamberlain, has been named trust officer in Aberdeen. Al Westra of the Gregory branch has been named ag banking officer in Mitchell.

Mr. Turnwall joined Norwest in 1979 in Chamberlain. Mr. Westra joined Norwest in Gregory in 1985.

NABW Elects Officers

The Sunrise Chapter of the National Association of Bank Women has elected its officers for the 1986-87 fiscal year. Elected are: President—Linda Shane, Citibank, N.A., Sioux Falls; Vice President—Vicki Sieck, Norwest, Sioux Falls; Secretary—Colleen Dather, United National Bank, Sioux Falls, and Treasurer—JoAnn Oyen, First National Bank, Sioux Falls.

Joined in Milbank

Lon S. Oyster has joined the staff of Dakota State Bank of Milbank as assistant vice president and ag representative.

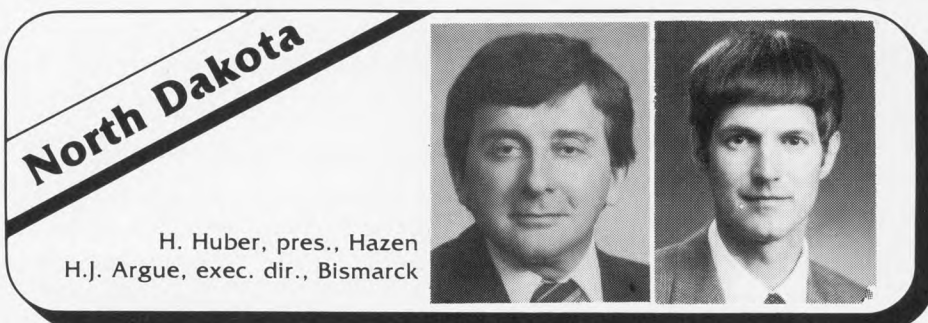
He has more than four years lend-

ing experience working at the Americana State Bank of Clara City, Minn.

NABW Officers Elected

The following have been elected the 1986-87 state officers for the South Dakota National Association of Bank Women: President—Patricia Waring, Norwest Bank South Dakota, N.A., Sioux Falls; Vice President—Denise LaRue, First Western Bank, Sturgis; State Con-

ference Chair—JoAnne Fenner, First Bank of South Dakota, Rapid City; Membership Chair—Sue Tower, Citibank South Dakota, N.A., Sioux Falls; Scholarship and Awards Chair—Crystal Fedders, First National Bank in Sioux Falls; Public Affairs Chair—Laurel Merrick, Norwest Capital Management & Trust Co., South Dakota, Sioux Falls, and Education and Training Chair—Ruth Ann Dannenbring, First Dakota National Bank, Yankton.



NDBA Offers Three Training Rental Programs

The North Dakota Bankers Association has recently signed an agreement with Bankers Video Service of Cedar Rapids, Ia., to make available to NDBA member banks, at a reduced fee, a subscription rental program that includes tapes for training, marketing and information.

The training programs included in this service focus on a number of important areas. The video based customer education programs are designed to help sell banking products and services through play in high traffic libraries or in special customer education seminars.

The other subscription service NDBA offers is Bancvideo, a training and consulting company for bankers that was organized by former banker Lawrence Darby.

Through the efforts of NDBA and other state bankers associations, the ABA BANCTRaining Video System now offers tapes on a rental subscription plan. Available in this rental program are 35 video classes covering all facets of banking.

The NDBA has preview tapes available for Bankers Video Service, BancVideo and BANCTRaining. If you wish to preview these tapes before subscribing, please contact the NDBA office.

FBS Appoints Two

Two staff appointments have been made at the North Dakota Region for First Bank System, Fargo.

Joni B. Bertel and Thomas K. Persson have been named regional credit analysts for First Bank System.

Ms. Bertel was previously a credit review analyst for First Bank Fargo this past year. Prior to that, she was a commercial lending associate at Continental Illinois Bank in Chicago.

Mr. Persson was previously employed as a national bank examiner for the Comptroller of the Currency, and prior to joining FBS worked as a financial consultant for a Fargo firm.

Registration Opens

For the fourth consecutive year, NDBA member bankers will be able to attend the Minnesota Commercial Lending School to be held August 9-14, 1987, at St. Olaf College, Northfield, Minn.

The openings for NDBA member banks are limited and will be filled on a first-reserved basis. Applications should be submitted directly to the Minnesota Bankers Association.

Montana

W.E. Schreiber, pres., Whitefish
J.T. Cadby, exec. v.p., Helena



MBA Approves Ad Campaign

The Montana Bankers Association board of directors, by conference call, has approved a \$100,000 television and print advertising campaign to be run in two flights. The first was scheduled for late October.

The decision follows a showing of the proposed commercials to approximately half the membership attending a series of eight area meetings held recently.

An overwhelming majority (nearly unanimous) approved the advertising campaign and the assessment of the banks. The board approved an assessment of \$100 minimum for each bank plus \$13 per million in total resources as of December 31, 1985.

Elected in Billings

First Interstate Bank of Billings, N.A. recently announced the election of Kathy A. Maier as residential mortgage loan officer.

She began work with Lomas & Nettleton Co. and Mid-Montana Title and American Title & Escrow as a loan originator, loan closer and escrow secretary. She most recently worked in all areas of real estate lending with a Billings bank, prior to her recent promotion with First Interstate.

NABW Elects Director

Barbara Bruskotter, vice president, First Banks—Missoula, Missoula, has been elected national director of the Northwestern region

for the National Association of Bank Women. She was installed during NABW's recent 64th annual convention held in Las Vegas, Nev.

Two Elected in Billings

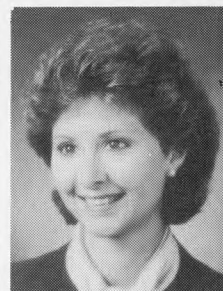
Norwest Bank Billings has named two new members to its board of directors.

Elected were Bruce H. Carpenter, president of Eastern Montana College at Billings, and Raymond M. Hart, president of the Hart-Albin Company of Billings.

Appointed in Great Falls

Karen B. Hudson has been appointed assistant vice president and trust officer of First Interstate Bank of Great Falls. She will manage the trust department.

Most recently, she served as trust officer with Norwest Capital Management. Prior to that, she was a procurement officer for Boeing.



K.B. HUDSON

Wyoming

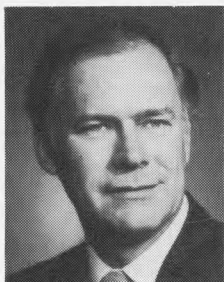
N.P. Van Maren, pres., Casper
G. Tea, exec. dir., Casper



Elected in Casper

Richard I. Niedling has been elected as executive vice president in charge of the lending division of First Interstate Bank of Casper. He will oversee all consumer and commercial lending activities for the bank.

Prior to this position, Mr. Niedling served as executive vice president of First Interstate Bank of Lea County in Hobbs, N.M. He has



R.I. NIEDLING

over nine years of lending experience.

Pres. Named in Laramie

Citizens Bank, Laramie, has announced the election of James E. Cowan as president. Prior to his appointment, he was executive vice president at Norwest Bank Cheyenne.

Two Retire in Gillette

Kenneth Naramore, chairman, Stockmen's Bank and Trust Company, Gillette has retired. His wife, Helen, vice president of Stockmen's, has also retired.

Mr. Naramore will continue to

serve as chairman of the bank's board. He retired from "daily management" of the bank.

Elected president in 1965, he became CEO in 1967. In 1983, he was named chairman.

Mrs. Naramore has been a vice president of the bank since 1969.

Named in N. Cheyenne

Gary L. Parmele has been named executive vice president and senior loan officer at First Wyoming Bank—North Cheyenne. He brings with him 15 years of banking experience.

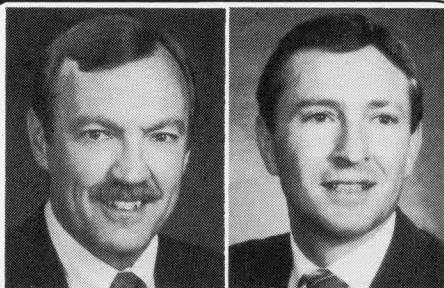
Payoff Approved in Baggs

The board of the FDIC has approved paying off insured depositors in Valley State Bank, Baggs. The bank, which had total assets of \$4.2 million, was closed October 17 by Wyoming State Examiner Stanley R. Hunt and the FDIC named receiver.

Deposits in Valley State Bank amounted to about \$4 million in 1,900 accounts, including \$2,300 in four accounts that exceeded the federal insurance limit of \$100,000.

Colorado

A.J. Anderson, pres., Kiowa
D.A. Childears, exec. v.p., Denver



Central Bancorp. Announces Senior Executive Posts

A number of executives have been elected to senior management positions at Central Bancorporation. The positions reflect the new corporate structure announced in August.

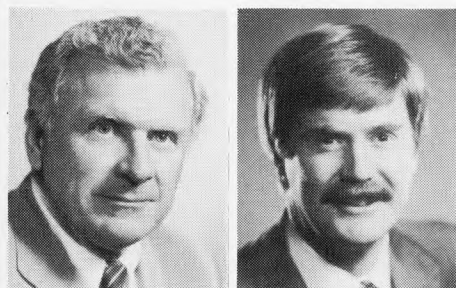
Donald D. Hoffman continues as chairman and CEO of Central Bancorporation. He also serves as chairman and CEO of the corporation's lead bank, Central Bank of Denver.

Robert A. Krane continues as president, COO and director of the corporation.

Joseph R. Lincoln has been elected executive vice president. He is responsible for the division comprised of all the affiliate banks within the holding company. In addition, he continues as president and COO of Central Bank of Denver. He has been involved in banking for 36 years.



J.R. LINCOLN



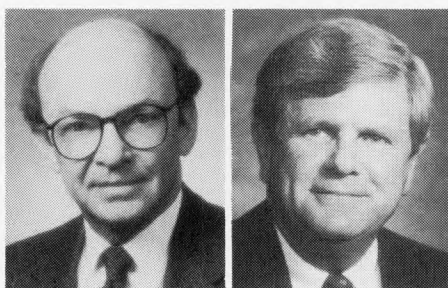
J.B. OSBOURN

C.A. DRUMMOND

James B. Osbourn has been elected senior vice president, responsible for the commercial financial services strategic business unit. He continues as executive vice president, loan administration group and director for Central Bank of Denver. His 33-year banking career spans a wide range of management responsibilities.

Charles A. Drummond has been elected senior vice president responsible for the retail financial services strategic business unit. He continues as senior vice president, retail banking division, Central Bank of Denver. His banking career involves 23 years experience.

George G. Patterson has been elected senior vice president and chief administrative officer. Previously, he served as executive vice president, administration support group, Central Bank of Denver. He has more than 25 years of banking experience.



G.G. PATTERSON

R.L. KROPF

Robert L. Kropf has been elected senior vice president, credit administration. He has served as vice president, credit administration, Central Bancorporation and as director, senior vice president and manager of the banking department of Colorado National Bank during his 27-year banking career.



D.J. HORST

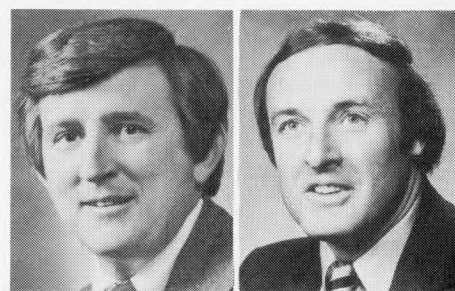
H.L. PEPPER

Elected vice president for the trust services strategic business unit is Donald J. Horst. With 25 years of banking experience, he is

trust officer and senior vice president, trust group, Central Bank of Denver.

Harlan L. Pepper has been elected vice president responsible for the investment services strategic business unit. He continues as senior vice president, investment and funds division, Central Bank of Denver.

Elected vice president of Central Bancorporation, Donald H. Echtermeyer will have responsibility for Division I, which includes the Central Banks of Academy Boulevard, Chapel Hills, Colorado Springs, Garden of the Gods, Greeley, Pueblo and Rocky Ford. He has 27 years of banking experience.



D.H. ECHTERMAYER

J.M. STAFFORD

Also elected vice president of the corporation, John M. Stafford will have responsibility for Division II, which includes the Central Banks of Aurora, Chatfield, East Aurora and Inverness and the First National Banks in Craig and Grand Junction.



J.E. BUSH

G. PRYOR

John E. Bush has been elected vice president, general counsel and secretary. He remains as senior vice president, general counsel and secretary of Central Bank of Denver.

Gary Pryor has been elected vice president, loan control. Before coming to Central Bancorporation in 1986, he served as senior vice president and credit officer and vice president, loan quality control, for Boatmen's Bank in Kansas City, Mo.

Meriel I. Currier continues as audit director, a position she has held since 1985.

Several Named at First Interstate of Denver

First Interstate Bank of Denver has announced a number of staff appointments.

Frank J. Brainerd has been appointed senior vice president and general counsel. He had been senior vice president and legal counsel for Colorado National Bankshares, Inc. before joining the bank. He replaces David Butler who has been the bank's general counsel since 1984. Mr. Butler has returned to private practice.

The bank has promoted the following nine bank officers to vice president status: Frances E. Draper, planning and analysis; Donald L. Grant, commercial finance support; Cynthia L. Knutson, human resources - education and development; Mary D. Maguire, real estate; Darlene D. Romero, investment banking; Richard J. Sullivan, trust banking; Adilberto (Bert) Torres, Jr., human resources; Anne D. Warhover, credit, and Gordon C. Willis, private bank and trust.

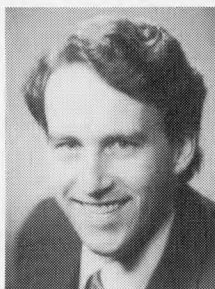
Promotions Told in Denver

Central Bank of Denver has promoted one employee to vice president, two to assistant vice presidents and two to officers.

Garth S. Gibson has been promoted to vice president in the retail banking area. He joined the bank in 1981 as a product development analyst and has served in a number of bank departments.

Promoted to assistant vice presidents were Donna Scarpella and Margie M. Walker. Ms. Scarpella joined the bank in 1973. She has held several positions including pension trust officer and trust operations. Ms. Walker has served as internal audit senior, corporate trust administration and corporate trust officer since joining the bank in 1982.

Julie C. Gorman has been pro-



G.S. GIBSON

moted to commercial loan officer.

The bank's new corporate trust officer is Tamara L. Nelson, who joined the bank in 1980.

Changes Told in Loveland

Lee Tedesco and Allan J. Becker have been named vice presidents of The Home State Bank, Loveland. Both commercial loan officers, Mr. Tedesco has been with the bank for five years, and Mr. Becker for four years.

Sandra Lafferty and Paul Wood have been appointed assistant cashiers. Ms. Lafferty has been employed with the bank for 12 years. Mr. Wood has been an employee for eight years.

Carl Scholtz, an employee for five years, is now installment loan counselor.

In addition, Marlyn Gerken, senior vice president, has retired after 16 years in the commercial loan department. He will continue to serve on the board. Raymond Goltart, vice president, has retired after 12 years with the bank.

BANK PROMOTION...

(Continued from page 17)

ing itself, "germ-free air, and music by Muzak." The night depository was big news, and in 1951 Peoples Bank & Trust of Cedar Rapids promoted "motor banking 24 hours a day"—probably without dreaming of the era when 24 hour banking would mean withdrawals as well as deposits.

The motor banking craze was a grand opportunity for innovation. Perhaps the ultimate in auto banking, ambitious if not very popular, was the "Roto-Bank" developed by New York-based Marine Midland Trust. To cope with traffic and high land cost, the company contracted with a turntable manufacturer to build giant rotating platforms to hold teller windows and cars. A bank could use the idea by paying Marine Midland one cent for every car which stopped at its Roto-Bank. The four-car size was available for \$35,000.

A 1960 survey by the Financial Public Relations Association (predecessor to the Bank Marketing Association) showed a \$20 to \$50 million bank would spend \$6,300 to \$61,100 per year on advertising. Many PR advisers complained that compared to other industries, banking was spending far too little. Statistics tended to confirm this; only 25% of Americans had checking or savings accounts. Some of the state associations tackled the problem by starting state-wide promotions of the industry. Banks made more of an effort to be available to the public, with programs like "in-plant banking," when a credit representative would go into a place of business to make loans to employees. Ads tried to avoid technical terms and tended toward the cute and clever.

Specialty Gifts Take Over

If there was a sixties promotional fad, it was the use of specialty gifts: calendars, maps, combs, matchbooks, blotters, and so on. A "Pay by Pen" promotion offered free pens and encouragement to pay bills by check. An Ohio bank was nationally recognized for its offer of mink-covered checkbooks. A possible later offshoot of this was yet another technique to recruit savings accounts—the offer of premium gifts of value proportionate to the deposit. A hope chest could be neatly outfitted with the cookbooks, electric blankets, and blenders earned by opening new accounts.

Of course, the medium of television was a new field for marketing. A bold approach was taken in 1960 by 56 banks in Iowa, South Dakota and Nebraska, who joined together for a year-long TV campaign. They purchased slots on KVTU in Sioux City, during a news program and the show "Tombstone Territory." The commercials featured general information on banking as well as a rotation of slides of the banks, identifying each one every two and a half weeks.

But TV still came in last in use of media in the 1965 FPRA survey, which showed newspapers and calendars as first and second choice. The survey also showed 92% of banks over \$50 million used agencies, and the money spent on marketing by banks was ten times greater than in 1946.

Thirty-five years after the invention of the Roto-Bank, life is more complicated, the consumer is more shrewd, and banking is more competitive than ever. Whereas not so long ago, one in 20 Americans used the services of a bank, this age of the ATM and POS is quite different. The challenge of bank promotion beyond the eighties will test the ingenuity of the industry, which, up till now, has been more than adequate for the task. □



Left to right: Loren R. Anderson, Executive Vice President, Administrative Services; Roy M. Otte, Vice President, Bank Investments Division; Mike Jacobson, Vice President, Correspondent Loan Division; Dennis H. Stelzer, President, NBC/Computer Services Division; Thomas E. Henning, President, NBC.

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Nebraska

C.G. Holthus, pres., York
S. Matzke, Jr., exec. v.p., Lincoln



Pres. Elected in Kearney

Don Kearney has been elected president and trust officer of Platte Valley State Bank and Trust, Kearney. He replaces Norman Schmidt, who passed away Sept. 16 after an extended illness.

Mr. Kearney most recently was in charge of special projects for Hawkeye Bancorporation in Des Moines. Prior to that he was senior vice president of Bankers Trust Company of Des Moines and president of Union Story Trust and Savings Bank in Ames, Ia. He was vice president of Elm Creek State Bank 21 years ago.

In addition to being president of Platte Valley State Bank and Trust and all its subsidiaries, Mr. Kearney will be responsible for the total lending function of the institution.

First State Scottsbluff Assumes Bank of Gering

The Federal Deposit Insurance Corporation has approved the assumption of the deposit liabilities of Bank of Gering, Gering, by First State Bank, Scottsbluff. The failed bank's only office reopened on Oct. 24 as a branch of First State Bank and its depositors automatically became depositors of the assuming bank, subject to approval by the appropriate court.

Bank of Gering, with total assets of \$20.9 million, was closed on Oct. 23 by James C. Barbee, Nebraska Director of Banking and Finance, and the FDIC was named receiver. According to Mr. Barbee, the failure was a result of liberal lending policies, ineffective management, and a depressed agricultural economy.

First State Bank assumed about \$20.4 million in 3,800 deposit accounts and agreed to pay the FDIC a purchase premium of \$30,000. It also purchased certain of the failed bank's loans and other assets for

\$13.1 million. To facilitate the transaction, the FDIC advanced \$7.2 million to the assuming bank and retained assets of the failed bank with a book value of about \$7.8 million.

NBA Receives Award for PEP Program

The Nebraska Bankers Association was one of four state banking organizations honored recently by the American Bankers Association for its commitment to improved economic education through the Personal Economics Program (PEP).

The Nebraska PEP program received the ABA's first annual Service Award, based on an evaluation of its delivery system, administrative support and participation, banker involvement, and overall effort.

According to C.G. "Kelly" Holthus, president of the NBA, nearly 5,000 Nebraska students were exposed to the Personal Economics Program last year across the state, receiving banker instruction on a variety of topics. Some 75 bankers took part in the voluntary program last year.

Harvard E.V.P. Dies

Gerald D. Stahl, former executive vice president of Harvard State Bank, has died at the age of 67. He had been with the bank since 1954 and retired in 1984.

Changes Told in Fremont

H.W. "Bud" Hendriksen has retired as president of First National Bank & Trust Co., Fremont. He will continue as a member of the bank's board and the bank's trust and audit committee and will maintain an office at the bank.

Succeeding Mr. Hendriksen as president is James A. Hansen.

In addition, Jeff Hores has been

named assistant vice president and trust officer at the bank.

Named in Ogallala

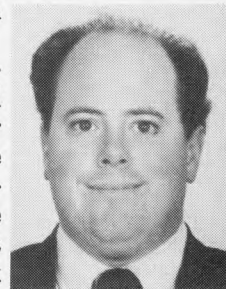
Stephen Shull has been named manager of the consumer loan department at the First National Bank of Ogallala.

He was consumer loan officer at Norwest Bank Nebraska at Hastings and was associated with that bank for eight years. Prior to that he was with Dial Finance Corporation at Hastings and Council Bluffs and Fort Dodge, Ia. for four years.

Joined in Kearney

Alan A. Hans has joined the Kearney State Bank and Trust Company as a loan officer.

He will be directly involved in the consumer loan area of the bank. His previous experience was at the First National Bank and Trust Company of North



A.A. HANS

Platte as a consumer loan officer.

Scottsbluff National Buys Building in Gering

Scottsbluff National Bank and Trust Company has purchased the building housing the bank's Gering branch at 1600 10th Street in Gering. The bank has been operating out of the facility since its assumption of the former Gering National Bank on July 31.

Scottsbluff National Bank purchased the Gering branch facility after reaching an agreement on terms of the purchase with the FDIC. According to Executive Vice President Don Smith, who is also managing officer in Gering, the facility will remain a full-service bank.

Added in O'Neill

Verlin J. "Gus" Barker has joined the First National Bank of O'Neill as vice president/ag loans. Prior to joining the First National Bank, he was vice president of the First State Bank of Gowrie, Ia.



Omaha

John Woods, chairman of the board of FirstTier, Inc., has announced his resignation.

He has served as chairman for the last 10 years and was instrumental in the formation of FirstTier, Inc., which included the merger of the Omaha National Bank and the First National Bank of Lincoln.

Mr. Woods said he will devote his time to pursue other activities.

Succeeding Mr. Woods is **Charles W. Durham**. He will remain chairman of the holding company until a replacement is found and certain other activities of the bank restructured.

Mr. Durham has been a director of the FirstTier Bank of Omaha and FirstTier holding company for the last 17 years. He is chairman of Durham Resources, a holding company with interests in public utilities, real estate, banking and investment banking.

* * *

Duane W. Acklie of Lincoln has announced the completion, through his group of investors, of his offer to purchase stock of Packers Bank and Trust Company, Omaha. The offer, which was subject to regulatory approval by the Federal Reserve System, was made on July 10, 1986 and concluded on September 8. Regulatory approval was granted on October 15.

Long-time Omaha banker, **Edward A. Kohout**, was recently named president and CEO of Packers Bank and Trust Company. **Rodney P. Vandenberg** of Falls City, was named chairman of the board, chair-

man of the bank's newly-formed executive committee, and chairman of the loan committee.



E.A. KOHOUT

R.P. VANDEBERG

Mr. Kohout has held senior positions with Omaha National Bank (now FirstTier Bank Omaha), Northwest Bank South Omaha, and Northwest Bank Nebraska. He has over 30 years of banking experience.

Mr. Vandenberg has held positions with United Missouri Bank of Kansas City, Mo.; National Bank of Commerce, Lincoln; and presently is president and CEO of First National Bank and Trust Company, Falls City. He has more than 30 years of banking experience.

Mr. Acklie also announced the election of nine new directors of Packers Bank and Trust Company.

They are: **Pennie Z. Davis**, **H. Douglas Riley**, **Ben Butler**, and **Clarence L. Werner**, all of Omaha; **D.L. Sommerhalder**, Lincoln; **James M. Wolf**, Albion; **Thomas E. Wolf**, North Bend; **Dwight L. Clements**, Elmwood, and Mr. Acklie.

Remaining directors are **Paul L. Merker**, Omaha; **Tonn M. Ostergard**, Lincoln; Mr. Kohout; and Mr. Vandenberg.

Mr. Acklie also announced the appointment of seven advisory directors.

They are: **Laddie J. Kozeny**, Omaha, a 65 year employee of Packers Bank, who will also serve the board as chairman emeritus; **Donald E. Dworak**, and **James R. Riha**, who both serve Packers Bank as executive vice presidents; **Rudy F. Stovsich**, Omaha; **Paul E. Chatelain**, Bellwood; **R.A. Anderson**, Hordville, and **Douglas A. Friedli**, Lyons.

In a joint statement, Mr. Kohout and Mr. Vandenberg emphasized the new board's mission, which is for Packers Bank to remain active as a correspondent bank, to become "the premier financial institution in South Omaha," and to expand its presence in the entire Omaha financial market. They stated that no staff changes were planned at this time.

Kearney Bank Board Begins 7th Year

The Kearney State Bank and Trust Company student board of directors has elected a new chairman, **Kevin McKenzie**, a senior at Kearney Catholic High School.

Dan Domandle, a junior at KCHS has been named vice chairman, and **Susan Sidner**, a Kearney High School senior, will be secretary for the eight-member board which serves through December 1986.

Rounding out the board are junior **Vilma Rodriguez** and senior **Penny Smyth** of KCHS, juniors **Christa Boroff** and **Todd Holt**, and senior **Rich Cady**, all of KHS.

The student board will be involved in the bank's customer relations and marketing programs and will act as a sounding board in the bank's future activities.

NBA Videotape Library Offers New Tapes

The Nebraska Bankers Association videotape library has once again increased the variety of tapes offered to members for use in the in-house training of employees.

The NBA library is offering NBA member banks one free tape use with any new enrollment. Then, for every 12 or more tapes used in a one-year period, a \$50 credit certificate, which can be applied to the next renewal year or toward the use of two tapes in the next renewal year, will be awarded.

For more information contact the NBA office at (402) 474-1555.



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And the faster things change, the faster the anchormen respond — with the latest financial technology at their fingertips and the historic financial strength of First National Bank of Omaha at their disposal — for you.

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



THE 1986-87 NIBA officers are, from left to right: Past Pres.—Fred Otten, pres., Commercial State Bk., Hoskins; Pres.—Roy Yaley, pres., Neb. State Bk., South Sioux City; 1st V.P.—Jim Bohart, v.p. & cash., Harvard State Bk.; 2nd V.P.—Bill McQuillan, exec. v.p. & cash., City Natl. Bk., Greeley; Treas.—Robert C. Fricke, v.p. & cash., Farmers & Merchants Natl. Bk., Ashland, and Exec. V.P.—Kurt Yost. Missing from the picture is NIBA Sec.—J. William Henry, exec. v.p., 1st Natl. Bk., Omaha.

Nebraska's Independent Bankers Meet for 5th Annual Convention

By **MELINDA SAUERS**
Associate Editor

NEBRASKA'S Independent Bankers gathered in Lincoln last month for their 5th annual convention.

Fred Otten, 1985-86 NIBA president and president, Commercial State Bank, Hoskins, welcomed bankers the first night and said attendance for this convention was the best turnout ever.

Gordon Achilles, banking aide to Congressman Doug Bereuter, spoke at the breakfast buffet. "It's very

important that Nebraska bankers have a voice in Washington at a time when banking laws have been bypassed by events in the marketplace," he said.

Mr. Achilles said Congress works in three areas for bankers: in an ombudsman role; in a legislative role, and in a representative role representing interests of *all* Nebraska bankers.

Briefing bankers on a number of legal issues was John Guthery, legal counsel for Perry, Perry, Witthoff, Guthery, Hasse and Gessford, P.C., firm in Lincoln. Mr. Guthery touched on recent case decisions,

Chapter 12 and lender liability.

Time is going to be the key in Chapter 12, he said, and advised bankers to line up some good appraisers. On the lender liability issue, he said many banks are being sued for putting people out of business. He suggested that bankers give borrowers as much notice as they can. He advised bankers to "write the documents as if 12 jurors were going to read them."

At the luncheon, Richard Jarvis, assistant regional director for the FDIC, delivered the remarks of Charles Thacker, regional director for the FDIC, who couldn't attend the convention due to an illness.

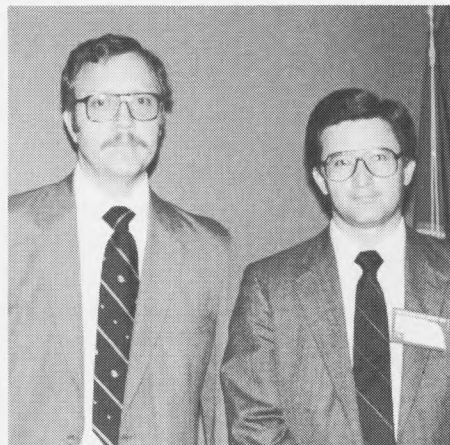
Mr. Jarvis said the FDIC and bankers share a common goal — maintaining a safe, sound and healthy banking environment. Last year was not a good year for Nebraska bankers, he said. "The non-performing loan situation has not slowed; however, profitability has shown a slight increase."

On a positive note, Mr. Jarvis said most of the farm banks are well situated in Nebraska to deal with the ag problems, while on the negative side, the number of problem banks in Nebraska is increasing; thus, there is a need for long-range planning on the bank's part. Management and directors should formulate plans for the future that include present and future market areas, growth strategy, budgeting and a loan review procedure. "Hopefully, there is a light at the end of the tunnel and it's not an oncoming train," he said.

Also speaking at the luncheon was James Barbee, director of banking for Nebraska. In an emotional presentation, Mr. Barbee said, "We are going to be tested to the limits,



LEFT—Fred Otten, NIBA past pres. and Roy Yaley, NIBA pres. with Chuck Doyle, IBAA pres. and Tom Olson, IBAA pres.-elect. RIGHT—Luncheon speakers Richard Jarvis, asst. reg. dir. for the FDIC, and James Barbee, dir. of banking, were excellent.



but we are going to get through this and recover," He said, however, that it will not be a quick recovery.

Mr. Barbee added that there are no big plans for the coming year, but said he will not be leading the charge on interstate banking and is convinced there should be a state department of banking. Even though bankers want an annual examination, he noted that 18 months is his goal for an examination by his department or the FDIC.

Explaining "Taxation and You" to the bankers with slides was John Cederberg, CPA in the Lincoln office of Touche Ross and Co., and national director for bank taxation. He said the most favorable provision change in the tax reform act of 1986 was the 25-year window period it has given bankers for loss. If a bank has a loss, it has 10 years back and 15 years forward.

Of most concern to bankers, he said, was the question of collateral and collateral values. Mr. Cederberg said he foresees all sorts of problems that may affect some assets directly, including buildings, net operating losses, controlling shares of corporations, tax on borrower's sale of assets and taking possession of stock representing control.

Unfortunately, he said, bankers are going to find themselves paying more taxes and warned that relationships with borrowers are going to be far more complicated. "We have not come up with any new opportunities to reduce and defer taxes for the banking industry," he said.

Officers for 1986-87 were elected at the annual meeting. The new officers are: President—Roy O. Yaley, president, Nebraska State Bank, South Sioux City; President-Elect—

James A. Bohart, vice president and cashier, Harvard State Bank; Vice President—William L. McQuillan, executive vice president and cashier, City National Bank, Greeley; Secretary—J. William Henry, executive vice president, First National Bank, Omaha, and Treasurer—Robert C. Fricke, vice president and cashier, Farmers and Merchants National Bank, Ashland. Kurt Yost continues as NIBA executive vice president at headquarters in Lincoln.

At the banquet, which concluded this year's convention, Mr. Otten said the NIBA has been working on ways in which to encourage more support in the association. One way he suggested is to come up with an annual award for a banker who has given much support to the association. This year's "President's Award" was presented to F. Phil Giltner, president of First National Bank, Omaha, and his wife Gretchen.

Chuck Doyle, president of the Independent Bankers Association of America, and CEO, Gulf National Bank, Texas City, Tex., delivered an inspirational message at the banquet. He said independent bankers must convince people to become involved. "You and I have the job of making people feel expected to be in the independent bankers association. Don't let people tell you it costs too much."

He went on to say, "We had hoped for reasonable legislation in banking and we didn't get it. We can't look to Congress for leadership. They just respond to a crisis."

He said recovery is going to come at home. "We are the principal lenders to the people who make this country run." □

Appointed in Grand Island

FirsTier Bank Grand Island, a branch of FirsTier Bank Omaha, has appointed Dennis L. Barkley vice president and CEO. He has served as acting CEO since July when Lawrence Comine, Jr., former CEO, was appointed senior executive vice president and COO at FirsTier Bank Omaha.

Named in North Platte

James L. Farmer has been named vice president in commercial and ag loans at American Security Bank in North Platte. He formerly served as

president of Farmers State Bank in Wallace.

NABW Group Wins 1st Place

The Western Nebraska group of the National Association of Bank Women, led by Melva Guard of Scottsbluff National Bank and Trust Company, took first-place honors in the group excellence award. The Western group competed against 117 other groups nationally in the under-50-members category at the NABW annual convention held recently in Las Vegas, Nev.

Graduate School Applications Being Accepted

Applications are now being accepted for the 43rd annual session of the Graduate School of Banking to be held at the University of Wisconsin, in Madison, August 9-22.

The school is sponsored by the Nebraska Bankers Association and 15 other members of the Central States Conference Bankers Association.

For more information, contact Jan Primus at the school at (608) 256-7021.

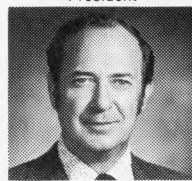
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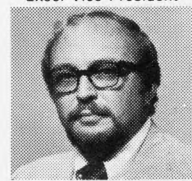
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LEFT—Taking part in the panel discussion at the recent FirstTier Lincoln Correspondent Bank Conference were, from left: **Jack Maddux**, livestock producer, Wauneta, Nebr.; State Senator **Carson Rogers**, swine producer, Ord, Neb.; **Dale Tinstman**, dir., Iowa Beef Processors, Dakota City, Nebr.; Panel Moderator **Dr. Roy Arnold**, vice chancellor, ag and natural resources, Univ. of Nebraska, Lincoln and **Jim Cole**, sr. commodity analyst, USDA, Wash., D.C. **RIGHT**—Host **Gary Bleck**, v.p. & mgr., ag. fin. group, FirstTier, Lincoln, welcomes guests to the conference.

Annual Correspondent Bank Conference Held in Lincoln

By **ROBERT CRONIN**
Associate Publisher

FOR THOSE who attended the FirstTier Bank Lincoln Correspondent Conference last month, many will remember the big win over Kansas State and the very cold temperatures and two inches of snowfall. But much more was happening in Lincoln than tailgate parties and the football game.

More than 400 bankers and spouses attended the annual conference at the Lincoln Cornhusker Inn. Pre-conference activities included a cocktail-buffet, which offered excellent food and hospitality by the FirstTier staff. The following morning bankers were treated to a buffet breakfast and an excellent panel discussion on the livestock, grain and feed outlook for the coming months.

If your favorite color wasn't red, then the morning panel discussion may have caused you some problems because those in attendance were dressed in red—red coats, ties, sweaters and even shoes.

Moderator Dr. Roy Arnold, vice chancellor of agriculture and natural resources at the University of Nebraska in Lincoln, introduced the first speaker, Jim Cole, senior commodity analyst with the USDA in

Washington, D.C.

Mr. Cole's comments were based on his views of the global supply picture of grain which he called "improved or not improved, depending on your point of view over 1985 and 1984." In his estimation, the world will continue to produce 10 - 15 percent more grain than is consumed.

Ironically, parts of Latin America and large sectors of Africa are starving while here in the United States and Europe we are having difficulty finding storage space for grain. "We will produce in excess of 30 million tons of grain and have nowhere to store it," said Mr. Cole.

The over supply of grain is a United States problem, he added. "When we see grain being stored in river barges and on the ground, this is a strong indicator that we have a storage problem," he commented.

According to Mr. Cole's outlook, there are some countries that need to be watched from a competitive standpoint. Argentina's production of corn and sorghum is a concern, as is Australia's wheat production. Western Europe is heavy into the wheat and barley areas, and China is a major exporter of corn.

Jack Maddux, rancher-livestock producer from Wauneta, called the grain storage situation in his area "a

real surprise." "I didn't realize you could pile corn on the ground and keep it for a year or two, but there are a lot of people doing it and just covering it with tarps," he said.

Senator Carson Rogers, also a swine producer in Ord, didn't think the corn being stored on the ground was a good idea, but with the shortage of storage facilities, that's the way it will be for awhile, he conceded, until other facilities become available.

Mr. Maddux gave some interesting figures concerning the cattle industry. In regards to the beef supply picture, in 1981 there were 115 million head of cattle produced and in 1987, that number will have fallen to 100 million, according to Mr. Maddux. "You have to go back some 25 years to find lower cattle numbers than we'll have January 1, 1987," he said.

"One of these days we're going to have a substantial change in the supply of beef for the consumer," said Mr. Maddux, pointing out the recent decline of per capita consumption of beef. According to his figures, he sees a time when this nation will experience 65 pounds of beef per capita consumption which, compared to today's standards, is down some 15 pounds.

In his conclusion, Mr. Maddux said "every 12 to 15 years the cattle industry goes through a low per capita consumption period and it's going to happen again." Mr. Maddux warned bankers that these

changes will affect the cattle market, the supply market and their customers.

Mr. Rogers gave his analysis of the pork industry by saying "We will be eating less pork because there is less pork around this year." Mr. Rogers said the high prices in the industry are good for the most part and have allowed many producers to gain a fair profit but, with low feed costs, the price of hogs could go down. "I would rather make a dollar every day on \$50 hogs," he said, rather than making it all at once.

Dale Tinstman, director with Iowa Beef Processors, Dakota City,

told the bankers he was glad to see both the beef and pork industries operating at a profitable level. "Feeders are making money, pork producers are making some money and the packers are making some money and that's the way it ought to be," said Mr. Tinstman. He said the cattle and pork industry look very good for 1987.

Since the outlook for the cattle and pork industry looks favorable, the panel put forth a call to bankers to display less negativism in the financing of some of their livestock borrowers. The forthcoming trend is a profitable one in the livestock sector and bankers were encouraged to

work with those particular customers, "because the future of the livestock market is bright," said one panel member. □

Elected in Brunswick

Brian Hinze has been elected vice president of Brunswick State Bank. He previously served with the Federal Land Bank in Hartington, Norfolk and Omaha.

Name Change Told

Citizens State Bank, in Decatur, has changed its name to First Nebraska Bank, Decatur.



LEFT—Les Peterson, pres., Farmers State Bank, Trimont, Minn., visits with **Derl Derr**, formerly staff director of the ABA Agricultural Bankers Division, who is now managing executive for the Apple Growers Association International. **CENTER—"A/L Management for the Ag Banker"** was discussed by **Douglas G. McDermott** (left), pres. & CEO, Home State Bank, Jefferson, Ia., and **Dale Bickenstaff**, exec. v.p., Moore Financial Group, Boise, Idaho. **RIGHT—John Saunders** (left), v.p., First Bank of DeKalb County, Stewartville, Mo., introduced **Gary G. Maas**, pres., Agri-Careers, Inc., Massena, Ia., whose topic was "Managing the Transition into the Future."

AG CONFERENCE. . .

(Continued from page 23)

overflow crowd each session. ABA's Rusty Jesser, a federal legislative representative; James W. McBride, director, First National Bank of Aurora, Nebr., and Thomas L. Flynn, Des Moines attorney, described the new bill and its potential effects. The Common Denominator they see is the ability of borrowers to walk out on debt that exceeds the current valuation of their loan collateral and make the bank swallow the loss. They all feel this will injure many banks, and will hurt farmers in the long run by curtailing credit, especially to marginal borrowers.

"Preparing for Changes in the Uniform Commercial Code" was the other new legislation topic played to an overflow crowd. Neal Conover, chairman of First National Bank, Creston, Ia., was joined by Mr. Jesser and Barbara Roberts, Oregon's secretary of state, in discussing this change in the lien law. They reviewed the options of prenotification and central filing, which Oregon is prepared to operate.

Just over 500 bankers and guest speakers were re-

gistered, along with nearly 300 spouses, for a total of approximately 800. Iowa led attendance figures again with 99 registrants and 77 spouses, for a total of 176. Nebraska was second with 40 registrants and 30 spouses, for a total of 70. Six other midwest states, with total attendance in parentheses, were Kansas (67), Illinois (64), Indiana (52), Missouri (33), Minnesota (32), and Oklahoma (29). These eight heavy farm states had 523 total registrants, or 65.4% of the total number present. In contrast, the host state, Tennessee, had only four bankers from three banks, three ag-related firm registrants, and one spouse for a total of eight people. Nine southern states ranging from Arkansas and Louisiana across to Virginia and South Carolina sent a total of 85 registrants and spouses, or 10.6% of the total. There was a large delegation of ABA support staff, of course, accompanied by Congressmen and staff personnel, and government agency representatives for a total of 48 from the District of Columbia.

The 1987 National Ag Conference is scheduled for November 15-18 in Washington, D.C. The 1988 site has not yet been selected, but Des Moines has made a bid to be host city. □

Our holiday best to you!

*A*long with our best wishes for a festive holiday season and prosperous new year, may we say a special "thank you" to all whom we've served during 1986. It's our hope that this most pleasant association may continue.

If you plan to be in Des Moines during the holiday season, stop by and say hello. We'd be pleased to see you.

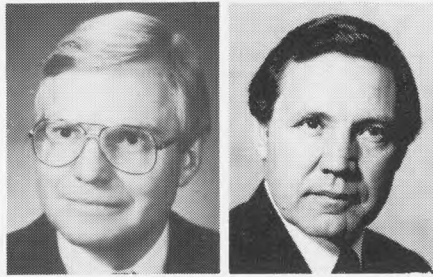
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New Albia Bank to Open in January

HAROLD L. Mick & Catherine M. Bay of Monroe County, announced November 11 that the shareholders of Peoples Tri-County Bancorporation met the night before and unanimously decided to open the new Peoples State Bank in Albia despite the corporation's failure to secure permission to open an Eddyville office. Mr. Mick stated that they have been swamped with requests from Albia and Eddyville citizens and officials to proceed to open the bank. He said individuals from all over the county have pledged to support the new bank.

The State Superintendent of Banking, William R. Bernau, approved the application for a new Albia bank charter on November 5. The applications for Federal Reserve and F.D.I.C. approval were predicated upon the new bank having an Eddyville office. It is expected that the Federal Reserve and the F.D.I.C. will approve amended applications so that the Albia bank can open during the first week of January, 1987, according to Mr. Mick.

Mr. Mick stated, "The state banking department survey substantiated the need for a new bank in Albia and a banking facility in Eddyville. Our community needs a sound and competitive banking alternative and we are dedicated to providing financial services for all of Monroe County and the Eddyville area." (The superintendent, while approving the Peoples State Bank charter, gave permission to operate an Eddyville office to First Iowa State Bank of Albia.)

Mrs. Bay and Mr. Mick also announced that Jim Oberts would be the president of the new Peoples State Bank. Mrs. Bay said "We are pleased that Jim Oberts has accepted our offer to return to Albia and actively manage our new bank.

He knows our area and is recognized as a sound banker." Garland K. Carver of Des Moines will continue as chairman to assist the investors and Mr. Oberts in obtaining their final regulatory approvals and opening the bank.

The new owners have invested \$2,000,000 capital. "Not only is it unusual for a new bank to be started in Iowa, it is also rare when a new bank is started with no borrowed capital," said Catherine Bay, adding, "The Albia and Eddyville investors believe in our communities and we are determined that sound depository and lending services be provided for the people in our trade area."

Peoples State Bank was incorporated following the failure earlier this year of Peoples National Bank & Trust Co., which had deposits of approximately \$50 million when it was closed in February by the Comptroller of the Currency. Since there were no bidders on the bank, FDIC paid off depositors. Jim Oberts was president of Peoples National for the last five weeks before it was closed. Peoples National had served the Albia community since 1907 and maintained an office in Eddyville, which is about 20 miles northeast of Albia.

Except for charters issued in a purchase and assumption of a failed bank, this is the first new state charter issued since 1977 when one was granted for First Bank & Trust of Carter Lake, which has since converted to a national charter as First Bank, N.A., and has moved into Council Bluffs.

First Iowa State, Albia, Gets Eddyville Office

The First Iowa State Bank of Albia was given approval on November 5 of its request to open an

office in Eddyville, 20 miles northeast of Albia. Permission was granted by State Superintendent of Banking William R. Bernau.

At the same meeting, Mr. Bernau announced approval of the charter for the proposed new Peoples State Bank of Albia, which had also requested an office in Eddyville as part of its charter application. The superintendent was allowed by law to authorize an office for only one bank in an un-banked town.

All of this activity was occasioned by the February 6 closing of Peoples National Bank & Trust Co. of Albia, a \$50 million deposit institution that had been in business since 1907, but failed due to the weight of ag loans that turned bad. Peoples National had an office in Eddyville.

Eddyville has prospered in recent months with the opening of two major food processing plants there.

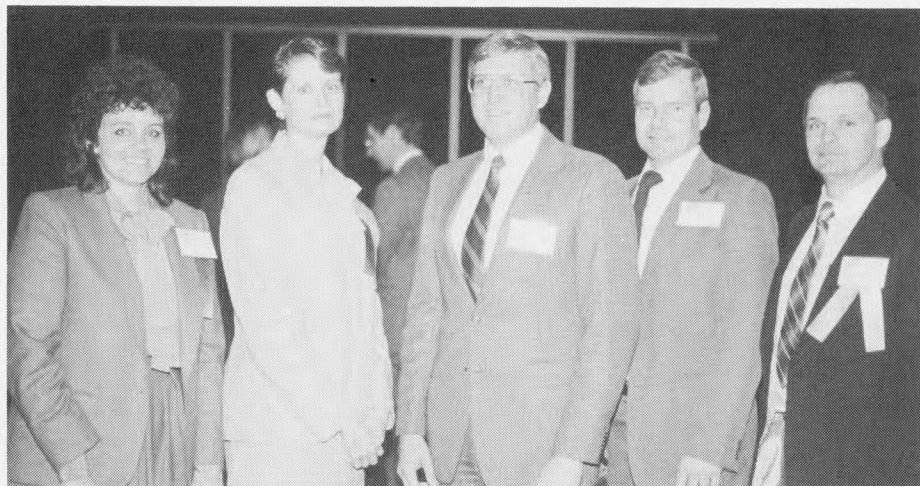
Ray Davis, executive vice president of First Iowa State Bank, said he anticipates no difficulty in obtaining the \$440,000 increased capital that is needed to compensate for the \$19 million of additional deposits his bank has gained since the closing of Peoples National. The needed increase, which is a stipulation in the superintendent's Eddyville office approval, has been anticipated by First Iowa State Bank, Mr. Davis said, because of the positive growth factor experienced by his bank. First Iowa deposits when Peoples National closed were \$37 million, and were \$56 million on November 5.

Mr. Davis said First Iowa State Bank has an option on an older bank building in Eddyville that once housed the Manning & Epperson State Bank, which closed in mid-1931. Plans are to renovate that building with an architectural plan complementary to the unique architecture of the headquarters bank in Albia.

Hired in Cresco

David Skattebo has been hired as vice president of First Interstate Bank of Cresco, N.A.

During the past year he has been employed by Farm Credit Service in Mason City as a special accounts loan officer. He also spent four years with the Northeast Iowa Production Credit Association as a branch manager of the Waukon and Decorah offices.



LEFT—Taking part in the IBA Ag Marketing Conference in Ames last month were, from left: Conference Chairperson **Leslie Miller**, a.v.p., Davis Cnty. Sav., Bloomfield; **Sue Atkinson**, pres., MGI Learning Systems, Lyons, Nebr.; **Roger Holck**, pres. & c.e.o., Kellogg-Sully B&T; **Ray Harman**, s.v.p., First Natl., LeMars and **Rod Kroeger**, MGI Learning Systems. **RIGHT**—Presenting a "Look at Chapter 12" is **Harry Dixon**, atty., Dixon, Dixon and Manahan, Omaha, Nebr.



IBA Holds 2nd Annual Ag Marketing Conference

By **ROBERT CRONIN**
Associate Publisher

MORE than 100 bankers from around the state were in attendance for the second annual Iowa Bankers Association Ag Marketing Conference held in Ames recently. The program, "Successful Ag Marketing: Decisions and Directions," was developed by the IBA Ag Committee, which is chaired by Leslie Miller, assistant vice president of Davis County Savings Bank, in Bloomfield.

The two-day conference featured noted speakers from around the area. Important topics covered were charting and analysis, factors influencing the market, the recently signed farm bankruptcy bill and the soon-to-be law, S.F. 2050.

The general session included a panel discussion which featured farmers Kent and Jane Brown of Merrill and William Secor, Jr. from Fort Dodge. The question of whether a farmer should go "in house" or use a charting system to control his marketing was discussed.

Mrs. Brown, who heads up a local marketing club in her area, said, "It's the farmer's responsibility, not the banker's, to make proper marketing decisions." Mrs. Brown, who began computer charting out of her home two years ago, said, "It wasn't

easy at first, but we are beginning to see results."

A special session was held to help promote Iowa products featuring various Iowa commodity organizations. Included in the parade of Iowa products were representatives from the Iowa Soybean Association, which has over 6,000 members in Iowa; the Iowa Sheep Industry, with over 10,000 producers in the state and the Turkey Industry, which has experienced an 11 percent growth over the past year.

The Iowa Pork Producers, Iowa Poultry Association, Iowa Corn Growers and the Dairy Association were also represented. The Iowa Cattlemen's Association gave a special presentation on a commercial feeding and grazing program for the state. Joel Brinkmeyer, executive director, said the program is designed to "steer" farmer/rancher livestock into the state. Although the concept is not new, Mr. Brinkmeyer said it is new to have an organized effort in the state. "Iowa is a good state to have cattle commercially fed and grazed," he said.

According to the Iowa Cattlemen's Association, there are 47 feeders and grazers interested in the program. The criteria to be part of this program are: The participant must be part of the ICA, have access to a certified livestock weighing scale, have projection capabilities, maintain an animal health program, have

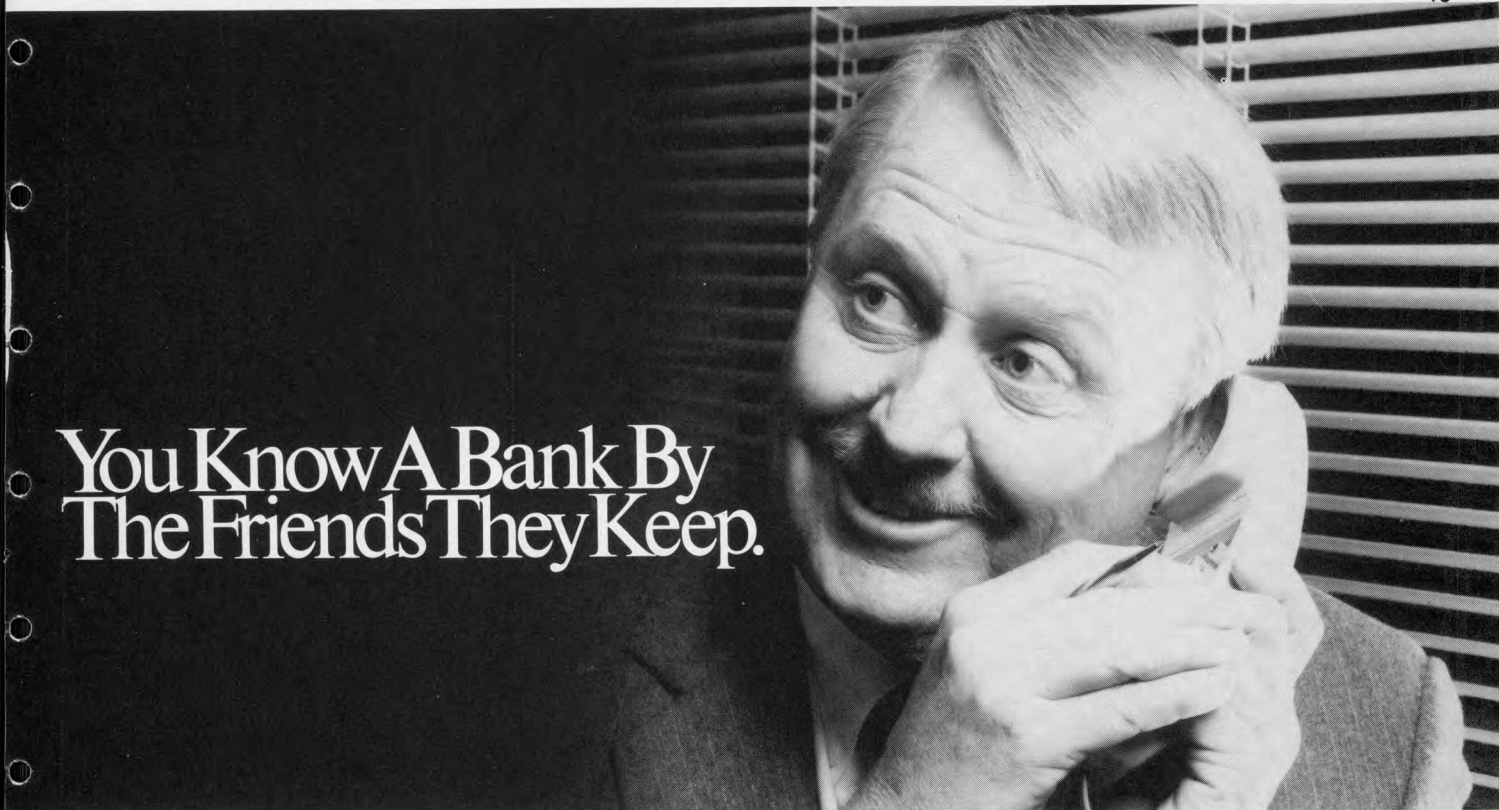
an accurate method of charging feed to the owner, have access to a good water source and have adequate working facilities. There are approximately 3,000 head under the new program, according to Mr. Brinkmeyer.

Included in the afternoon session was a look at the economic implications of marketing in the international arena. Dennis Starleaf, agricultural economist, Iowa State University, Ames, who gave the presentation, said, "The United States is going from a net creditor to a net debtor, and this can't go on forever. The reason for our high trade imbalance is based on the fact that the U.S. is financing its debt by borrowing from foreign nations.

"If a country is going to borrow abroad, it must import more than it exports and that is the situation the U.S. is in," and, according to Mr. Starleaf, "to eliminate the huge trade imbalance, we must eliminate the federal deficit and/or discontinue borrowing from other countries."

"Breaking Away from Traditional Marketing" was presented by Wayne Seaman, general manager and Tom Feldmann, marketing manager, both with West Central Coop, Ralston, Ia. Their program, presented in tandem, explained the effective ways in which to market grain. They are: **Cash Markets. Options Market. Price Later. Basis Agreement** - The difference between a cash price at one point versus the price at another point (basis agreement reflects storage, interest, risk and transportation, said Mr. Seaman). **Minimum Price Purchase Agreement** - which guarantees the

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Clockwise — Patty Stansbury, Gary Stevenson, Phyllis Foster, Ed Den Beste, Evey Thompson, Mark Paradise, Jan Foresee, Lon Kelling.

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Strength You Can Bank On.



LEFT—Ag Conference speakers included, from left: **Dennis Starleaf**, prof. of economics, Iowa State University, Ames; **Tom Feldmann**, mktg. mgr., West Central Coop, Ralston and **Wayne Seaman**, grl. mgr., also with West Central. **RIGHT**—A panel discussion entitled, "Who should a customer trust: In house vs. a charting service," featured, from left: Farming couple **Kurt and Jane Brown**, Merrill, and Farmer **William Secor, Jr.**, Fort Dodge.

producer a minimum price with the option to gain future income should the price go higher. **Payment In Kind.**

The most timely topic of discussion during the conference was the issue of the so called "double jeopardy" bill which will take effect December 24, 1986. One word describes the feeling among bankers - unclear. The bill, S.F. 2050, is designed to protect the agricultural dealer but upsets bankers because it reverses the traditional secured interest concept. There is justified fear of a paper blizzard taking place after December 24.

Bankers attending the conference posed many questions about the bill

to Tom Salsbery, attorney with a Des Moines law firm. Wes Ehrecke, vice president of governmental relations for IBA, called the legislation "unconstitutional" and is seeking a law suit to strike down S.F. 2050. The best advice given was to prepare for the worst.

Due to the passage of the new Chapter 12 of the Bankruptcy Code, a special session was presented during the closing portion of the marketing conference. Although not all of the details are clear, Harry Dixon, an attorney specializing in the bankruptcy area, said "This will be a big Thanksgiving for farmers," for the bill went into effect November 26. Mr. Dixon, who is with the Omaha

law firm that bears his name, said the bill, HR-5316 established 52 new bank judgeships in the U.S. including two new U.S. Trustees for the state of Iowa.

According to Mr. Dixon, these trustees will monitor all bankruptcy cases in the state. "Since farmers have a tendency to be very private, and could feel intimidated by these trustees, we may see some filing discouraged because of this fact," said Mr. Dixon. "With the use of U.S. Trustees in each case, this could eliminate quick filing, thus benefiting the lender," he said. The Chapter 12 bill does have a "sunset provision" of seven years, expiring on October 1, 1993. □

Iowa Supreme Court Backs Superintendent of Banking

The Iowa Supreme Court ruled last month in favor of the Iowa superintendent of banking in a lawsuit instituted against him by a group of stockholders of the former Mount Pleasant Bank & Trust Company, which failed in 1982. In their suit, the stockholders claimed that the superintendent didn't supervise the bank properly and didn't take quick enough action.

The bank failed August 6, 1982, when a large customer, Prairie Grain Co. at Stockport, failed. That failure triggered unsurmountable losses for the bank, and then Superintendent of Banking Thomas H. Huston closed the bank.

The suit was filed by stockholders Gerald L. Nordbrock, Harley W. Batie, Gene L. Osborn, Irving R. Dana and William L. Larson. Later, Henry County District Judge Harlan Bainter ruled that the superin-

tendent had acted within the legislative guidelines set by Iowa law. The Supreme Court's decision last month reaffirmed Judge Bainter's decision, stating that "The regulation of banks is left by the legislature to the superintendent's sound discretion."

Mt. Vernon Banker Dies

Jay A. Fordyce, president and trust officer of Mount Vernon Bank & Trust Company, Mount Vernon, passed away on October 16. He had served continuously at the bank from 1935 until the date of his death, a span of 51½ years.

Named in Indianola

Deloris Van Ryswyk has earned the new responsibilities and title of financial banker at Peoples Trust and Savings Bank, Indianola. As financial banker in the customer and investment department, she will be working with bank customers to

help them to better select the bank products and services which best meet their needs.

Mrs. Van Ryswyk, assistant cashier, has been employed with the bank since 1980. She has worked in several departments in the bank, most recently as ATM operations manager and assistant financial banker.

Named in Waterloo

The Waterloo Savings Bank, Waterloo, has announced that Matt Roegner has been named consumer loan officer. He most recently was associated with Credithrift of America, located in Des Moines. Mr. Roegner is a graduate of the University of Iowa.



M. ROEGNER

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

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Security National Corp. Names Presidents

Security National Corporation, Sioux City, has announced the promotions of two officers within the holding company to bank presidents.

Scott Otis has been named president of the First National Bank of Akron and has been elected to serve as president of the bank's board. He began his banking career in 1979 as a financial analyst for Postal Finance Company. In 1980 he joined the Security National Bank of Sioux City, part of the holding company, and served as a personal banking



S. OTIS

M. ROZELL

representative and correspondent banker.

Myron D. Rozell has been promoted to president of the First State Bank of Mapleton and has been elected to serve as chairman of the bank's board. He joined the bank in 1985 as senior vice president. Prior to that he served as a loan officer, assistant vice president and vice president of administration at the Federal Land Bank in Fort Dodge.

BAI Chapter Holds Meetings

Central Iowa Chapter of Bank Administration Institute held its October meeting at Simpson College in Indianola. Paul Tyler delivered a message on lender liability. Forty-seven people attended.

The November meeting was held at the Hyperion Field Club, Des Moines. Peat, Marwick, Mitchell & Company spoke on the topic of "Tax Update and 1099 Reporting."

ABA CONVENTION. . .

(Continued from page 14)

"As still a further precaution, we have been testing a procedure whereby the potential defendants would be advised of our findings and given an opportunity to submit a written statement before any final

litigation decisions are reached," Mr. Seidman said. "Our intention is to file suit only when we have found evidence which will make a case and lead to a financial recovery," he added.

Mr. Seidman urged the banks to consider the example of the mutual funds in providing a separate budget to independent directors, noting that: "Outside directors often need extra help to deal with the complexities of banking." He said the directors could use the funds to retain independent counsel to assist them. "They could choose periodically to retain an outside auditor, an accountant or a consultant," he said.

"A separate budget means some additional cost to the banks, but this may be recovered through a lower insurance premium, better operations and fewer lawsuits," he said.

Mr. Seidman concluded with an update on the FDIC insurance fund noting that its year-end 1986 balance will be about \$18.8 billion dollars, despite record failures and expenditures. He added, however, that it is unlikely there will be an insurance rebate for 1986. "Cash outlays for dealing with 1986 and prior year failures will approach \$4.2 billion," he said.

Also addressing a general session was Comptroller of the Currency Robert L. Clarke, who delivered a rather blunt, challenging message to the nation's bankers. He pointed out how globalization of the financial industry filters down to every level of banking and commerce in each community, noting especially the rapid gains made in international banking by the Japanese. He said,

"The largest banking company in the world now is Japanese. Four of the five largest banking companies in the world are Japanese. Seven of the first 10, and 14 of the top 25 largest banking companies in the world are Japanese."

Mr. Clarke recalled that an ABA speaker 25 years ago said, "You can't do today's job with yesterday's methods and hope to be in business tomorrow." Yet, he noted, we are trying to do just that. "As a result, our banking system hasn't the equipment—nor the flexibility—to meet the competition."

Mr. Clarke closed by stating, "Over the past four years or so, the American Bankers Association has advocated a number of changes

that are needed. Yet, the A.B.A.'s advocacy on your part has been and continues to be weakened by lack of commitment—disinterest—and even outright opposition among some of its members.

"Your place, and the place of the American banking structure, in the new financial world that's coming together will, in large part, be determined by whether and how soon the changes the A.B.A. seeks on the part of bankers are made. Without your commitment, your interest, and your support, those changes may never come. Yet, if you call for change individually and as an industry, the changes are sure to come.

"They are sure to come if you shift your tendency to look at what is good for me, today, in my market, to looking at what will be good for banking, and the markets you serve, tomorrow. The choice is yours to make," Mr. Clarke stated.

General sessions also featured other individual speakers and panels. One panel of bankers looked at potential structure in future years, while a second panel composed of two senators, a retired general and a retired admiral examined "Global Influences—U.S. Options." Speakers for the final morning included FHLBB Chairman Edwin J. Gray and former Secretary of State Henry A. Kissinger.

Throughout the several days of the convention, registrants and spouses had a wide selection from a menu of industry sessions, public policy sessions and spouse sessions. Intermixed with these was a variety of entertainment, along with the usual extensive exhibition hall that offered the latest in bank equipment, services and electronics from the nation's leading service suppliers and manufacturers.

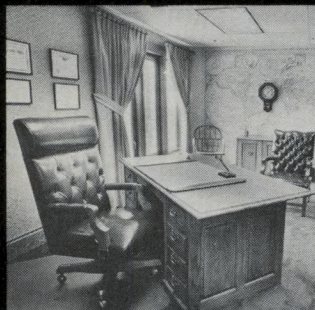
The 1987 convention will be held October 17-21 in Dallas, Tex. □

Fed Governor Rice Resigns

Federal Reserve Board Governor Emmett Rice has announced his resignation from the Fed, effective December 31. In a letter to President Reagan, Mr. Rice said he was resigning for personal reasons.

A former banker and government economics official, he was appointed to the board by President Carter in 1979.

Mr. Rice's term was to expire January 31, 1990.



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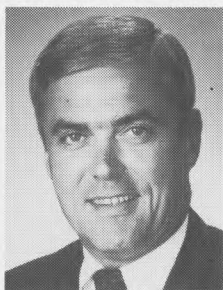
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Des Moines

A new international banking department has been formed at First Interstate Bank of Des Moines, N.A. The department will allow statewide support of First Interstate Bank's customer endeavors in import and export activities with a full range of international banking services. These services will include documentation, verification and negotiation, letters of credit, foreign collections and other related international services.

J. Daniel McGowan II has been appointed vice president of international banking. He will be responsible for the management of the department and the marketing and development of international services throughout Iowa.



J.D. McGOWAN

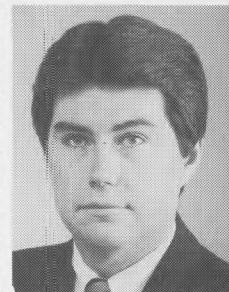
He joined the bank in 1982 as vice president of metropolitan commercial services. Prior to joining the bank, he was president and CEO of Industrial Supplies, Inc.

Upon completion of the building remodeling, the department will be located in the new International Trade Center.

Oliver H. Hagen, president and CEO, First Interstate of Iowa, Inc., has announced the completion of the agreement among 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, and Graham Investment Co., Des Moines, for the purchase by Graham of the First Interstate Bank Building and retail/office parking structure at Locust and Sixth Ave., in Des Moines. The sale price was not

The board of First Interstate of Iowa has elected **Bradford W. Sharpe** as vice president with functional responsibility as director of marketing. His duties will include providing marketing support for First Interstate Bank of Des Moines N.A., (of which he was elected vice president in October), and the affiliated banks throughout Iowa.



B.W. SHARPE

He was previously employed by Commerce Bancshares of Kansas City as corporate marketing manager.

Hawkeye Sponsors Student Advisory Board



EIGHT students from Drake University have been selected to serve on Hawkeye Bank & Trust of Des Moines' Drake Student Advisory Board. The purpose of the board is to promote a positive relationship between Drake students and the bank. The board has assisted in the production of a welcoming brochure for Drake students and the planning of a banking class for the new college program. The students named to the board are, seated left to right: **Suzanne Geer**, a senior majoring in accounting and corporate finance; **Gene Gettys**, a sophomore majoring in psychology and economics; **Michel Owens**, a sophomore majoring in international relations and foreign policy, and **Deanna Carroll**, a sophomore majoring in actuarial science. Standing left to right are: **Bret Sinak**, a junior majoring in insurance and finance; **Lols Grote**, a senior majoring in music education, and **Kevin Croft**, a sophomore majoring in actuarial science. **Melinda Brown**, a senior majoring in speech communication and business, is not pictured.

A black and white photograph of a middle-aged man in a dark suit, white shirt, and striped tie, sitting on a wooden park bench with his arms crossed. He is looking directly at the camera. A small duck is sitting on the ground in front of his right leg. A white tag with the Iowa Public Records Search, Inc. logo is attached to his right pant leg.

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Earlham Chairman Dies

Ralph B. Hunter, 95, chairman and former president of the Earlham Savings Bank, died of pneumonia November 12 in a Des Moines hospital. Funeral services and burial were in Earlham, where he was a lifelong resident. In recent years he had resided at Wesley Acres in Des Moines.

Mr. Hunter founded the Earlham Savings Bank in 1931 and then founded the First State Bank in Stuart in 1944. His grandson, William W. Hunter, is president of the Earlham Savings Bank, as well as vice president of the First State Bank in Stuart.

NABW Installs Officers

The Southwest Iowa group of the National Association of Bank Women has installed officers for the 1986-87 year.

Serving as president is Arline Gans, Farmers Savings Bank, Irwin; vice-president, Evelyn Rank, Citizens State Bank, Clarinda; secretary, Cindi Keithley, Houghton

State Bank, Red Oak, and treasurer, Jan Wilwerding, Harlan National Bank, Harlan. Past President Judy Nelson of Security Trust and Savings Bank, Shenandoah, served as installing officer.

Hawkeye Reports Third Quarter Loss

In its third quarter financial statement, Hawkeye Bancorporation reported a third quarter loss of \$24.8 million. \$4.3 million of the loss was reported to be from operations, including loan losses. The remaining \$20.5 million is a projected loss to be realized on sales of assets. Part of Hawkeye's agreement with its creditors was that its subsidiaries and activities designated to be sold be put into a separate division of the company called "discontinued operations." Hawkeye's financial statements must include a reasonable estimate of what operating losses these activities will sustain over the next 12 months if they remain unsold. The figure will be adjusted every quarter as sales of the activities take place. Hawkeye has agreed

to sell 23 of its subsidiaries and activities, and to date has agreements on some 15 subsidiaries, including 10 banks and five nonbank activities.

NABW Awards Banker

Jo Ann Merfeld, assistant vice president, Citizens National Bank, Charles City, received the third place award in the National Association of Bank Women's 1986 Jean Arnot Reid scholarship program. She plans to use the scholarship funds for a second year enrollment at The American Bankers Association National Agricultural Bank Management School and at the Wisconsin School of Banking.

This year, 117 NABW members competed for seven scholarships.

Joined in Waukon

Gary Blumhagen has joined Farmers & Merchants Savings Bank in Waukon as ag lending officer. Prior to joining the bank he was associated with the Federal Land Bank in West Union.



NATIONAL BANK OF IOWA, DENISON, IOWA



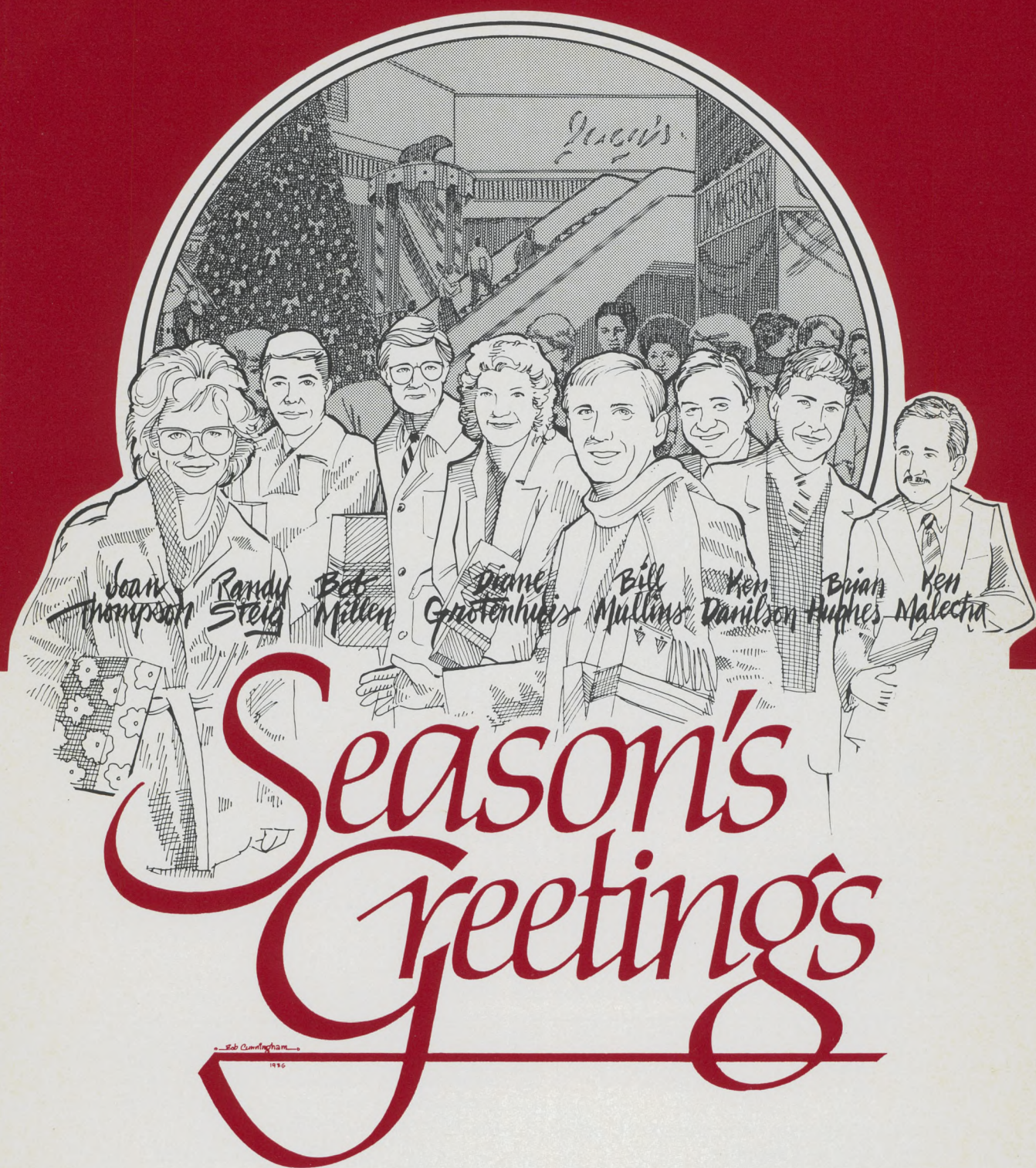
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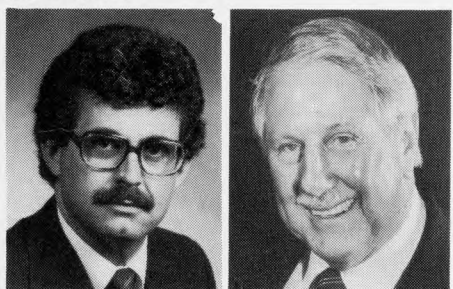
Jerry L. Vanni has joined Iowa State Bank and Trust Company, Iowa City, as special trust officer. Most recently, he was assistant vice president and manager of the Iowa City American Federal office.

Dubuque B&T Announces Promotions, Awards

Dubuque Bank & Trust Co. has promoted two officers to vice president. Jerry H. Snuttjer, who joined the bank a year ago, has been appointed vice president, insurance division. He is responsible for the operation and management of DB&T Insurance. Melvin E. Miller has been promoted to vice president, trust investments, for the bank's trust department.



J. SNUTTJER



M.E. MILLER

R.F. NEUWOEHNER

Dubuque Bank & Trust has also announced Robert F. Neuwoehner, senior vice president for business development, has received an honorable mention for the 1986 National American Bankers Association Bankers News Weekly Award. He has also been awarded the 1986

American Bankers Association Presidential Citation from Lynn S. Fuller, president and CEO of DB&T, for his commitment to the economic development of Dubuque and his contribution to the bank.

Purchase Agreement Signed For Hawkeye Bank

Arnold Schultz, president and chairman of the board of Grundy National Bank of Grundy Center, and Dwight Stewart, president of Hawkeye Bank and Trust of Grundy Center, have announced that an agreement has been signed for the purchase of Hawkeye Bank and Trust by Grundy National Bank.

The agreement has been entered into by their respective bank boards and officials of Hawkeye Bancorporation. The purchase is subject to approval by regulatory authorities.

Hawkeye Bank and Trust was one of 17 banks offered for sale last June by the Des Moines-based multi-bank holding company.

Mr. Schultz said, "Local ownership will ensure continued commitment of financial resources and continued economic support for the future of the greater Grundy Center area."

Regulatory approval is expected to take six months. Mr. Schultz said details concerning staffing and utilization of present buildings will take place during this time. Plans call for continued use of both bank buildings in Grundy Center and Hawkeye's Holland office.

Officials at both banks are eager to answer questions depositors may have. One of the most common questions expected to be asked concerns FDIC coverage. There are special provisions for dual FDIC coverages

after the merger is approved. Mr. Schultz said savings and checking depositors will have six months of dual coverage, and time depositors will also have dual coverage until the majority of the time deposit.

Grundy National Bank, chartered in 1934, has served Grundy Center for more than 50 years. With the acquisition of Hawkeye Bank and Trust, it will become the largest bank in the county. According to recently published statements of condition, Grundy National Bank's assets totaled \$44,596,375, while Hawkeye Bank and Trust reported \$27,871,000 in assets.

Joined in Knoxville

Stuart L. Job has joined the Iowa State Savings Bank, Knoxville as vice president.

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AG BANKING CAREERS...

(Continued from page 19)

the student's college expenses, which are \$450 per semester plus fees, books and supplies.

Banks that have been extremely cooperative with the program are: First Interstate Bank of Fort Dodge; Security Savings Bank, Eagle Grove and Goldfield; Humboldt Trust and Savings Bank, Humboldt, and Holstein State Bank, Holstein.

Trainees usually start in the bookkeeping department, work as a teller and perform other duties, depending upon the individual's experience and ability.

The two-year course is segmented into four semesters, in addition to the summer trainee session. Classes typically begin August 20 and conclude the following

May. By the time the student completes the four semesters, 67 semester hours have been earned for graduation. The practical curriculum offers the following four-semester schedule:

The Track Record

Of those completing the two-year course, 50% have entered the banking profession—all with Iowa banks. Another 20% have gone with finance companies and credit unions. Of the remainder, 5% have returned to farming, 10% have entered other phases of agribusiness, 5% have gone into insurance and 10% have found other occupations, several of the latter as junior accountants.

The program currently has fifteen students enrolled, leaving room for additional students who may begin the program in the January or August semesters. □

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