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APRIL
1987

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Citizens National Bank, Darlington, Wis.



Exclusive interview:

Community Bankers Speak Out



Jerry and his son, Brent, working together in preparation for the MNB Bike Races.

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ON THE COVER

FIVE community bank leaders from the Community Bankers Division of the American Bankers Association took part in an exclusive interview conducted by the **NORTHWESTERN BANKER** last month during the Division's 1987 National Conference for Community Bankers in Phoenix. Participants (l. to r.) are: **James V. Kuchar**, pres., Western State Bank, Devils Lake, N.D.; **Richard J. Schurtz**, pres., Bank of New Richmond, New Richmond, Wis.; **C.G. Kelly Holthus**, pres., First National Bank, York, Nebr., and pres., Nebraska Bankers Association; **B. LaRae Orullian**, pres., The Women's Bank, N.A., Denver, Colo., and **Franklin H. Moore, Jr.**, chmn. & pres., Commercial and Savings Bank, St. Clair, Mich., and chmn. of the ABA Community Bankers Council. Mr. Schurtz is a former member of the Council and the other three are current members. Interview starts on page 22.

FEATURES

11 Guest editorial

Nebraska banker urges "Truth in Bankruptcy"

17 10 Questions to ask

...when you are selecting a bank design firm

19 Functional bank design

A need that knows no state boundaries

22 Community bankers speak out

DEPARTMENTS

24 Illinois	36 Wyoming
26 Minnesota	37 Colorado
27 Twin Cities	39 Nebraska
29 Wisconsin	40 Omaha
31 South Dakota	45 Iowa
Convention Program	59 Vignettes of bankers
36 North Dakota	60 Des Moines
	62 Index of Advertisers

NORTHWESTERN BANKER

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

Publisher & Editor
Ben Haller, Jr.

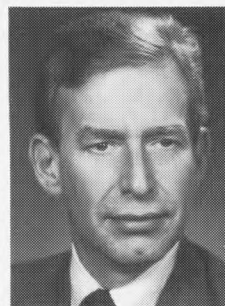
Associate Publisher
Robert Cronin

Associate Editor
Diane Nelson

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Dear Readers:

We are very pleased to announce to you that arrangements have been made with Dr. Douglas V. Austin, a noted banking consultant, for a monthly feature that will discuss primarily the role of the bank director—duties, responsibilities and opportunities—starting next month in the May issue.



D.V. AUSTIN

We are excited about this for in the past several years when we have heard Doug Austin as a convention speaker or, more frequently, as leader of seminars that run from a half-day to three days, we have been impressed with the attention he gets from his audiences and their respect for his very solid ideas. Dr. Austin's depth of knowledge in the financial field gives him a highly qualified background to discuss the role of the bank director, as well as matters pertaining to bank management. He has "earned his stripes" on both the academic front and his own management consulting business.

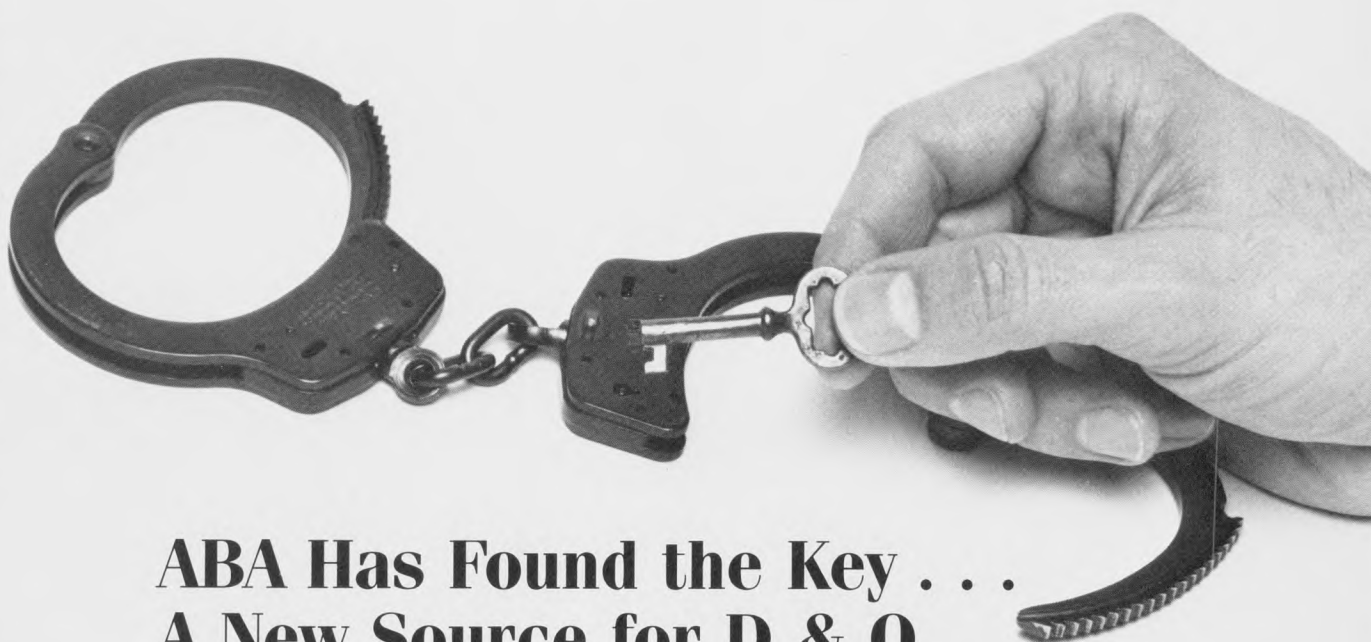
Dr. Austin holds four degrees that form the basis of his practical career as college teacher and successful businessman. In June, 1959, he received his B.A. degree with a major in economics and minor in philosophy from Ohio Wesleyan University, Delaware, Ohio. He then enrolled at Indiana University in Bloomington where he received his M.A. degree in economics in June, 1961, and continued his graduate studies to earn a Joint Ph.D. in Economics and Business at that university in June, 1964. His doctoral studies in the Graduate School's Department of Economics resulted in his major in Finance, with minors in Money and Banking, Economic Theory, Business Economics and Public Policy.

To round off that education, Dr. Austin was graduated in 1978 from the College of Law at the University of Toledo, where he had been associated as a teacher in the Department of Finance since 1969.

In addition to being admitted to

DEAR READERS. . .

(Turn to page 20, please)



ABA Has Found the Key . . . A New Source for D & O and Blanket Bond Insurance . . .

Responding to the needs of bankers, ABA is sponsoring a national program to offer D & O and bond coverage to qualifying banks. Working in partnership with the Progressive Companies, a top-rated insurance firm, a program has been developed that allows bankers to regain control in what has been an industry crisis.

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The charter member application period has now been extended to May 15, 1987.

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For additional information and application forms, **call 800-522-0412 (Ohio 800-362-7605)**

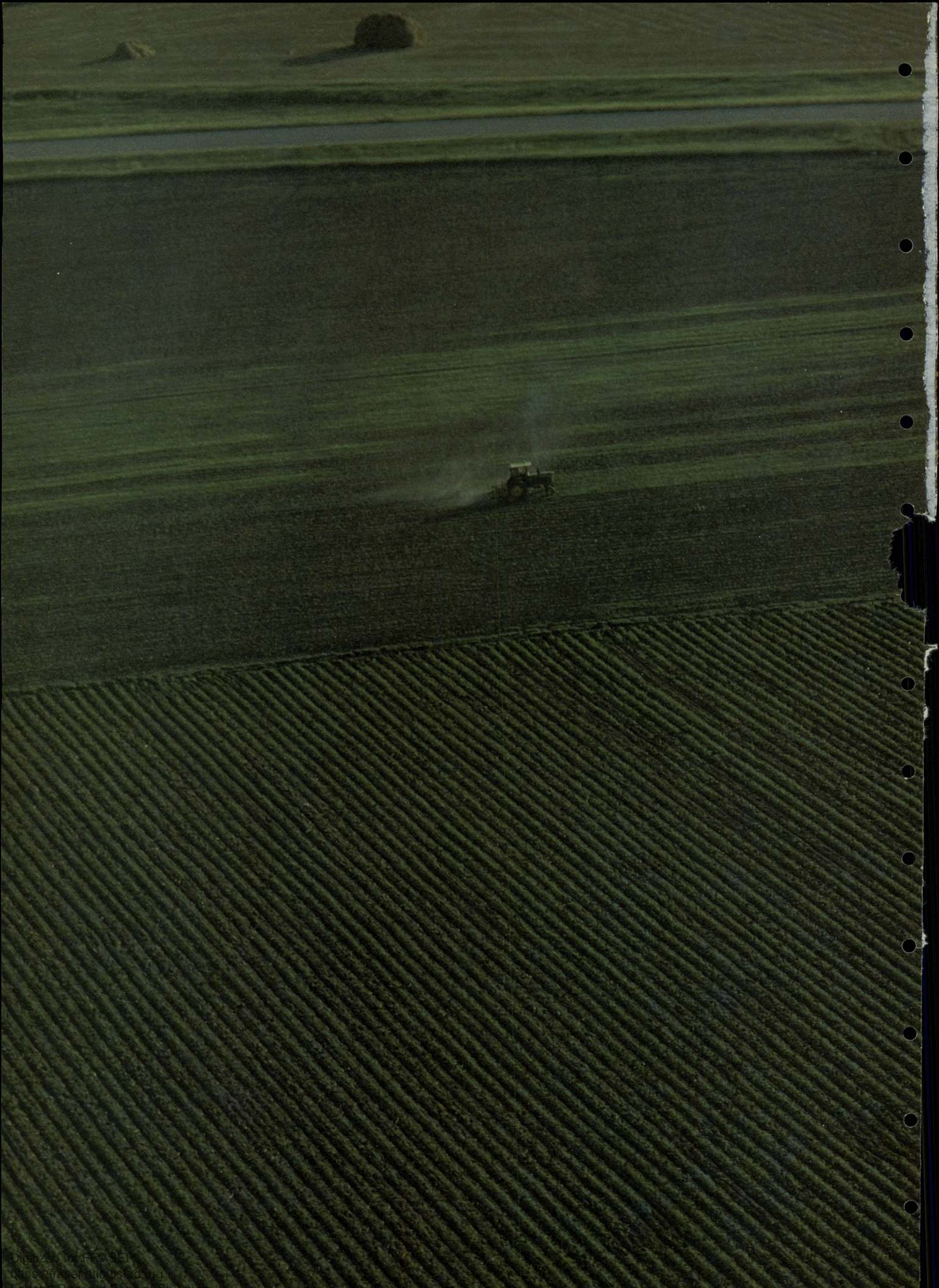
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ABA-Sponsored Insurance Program Deadline Extended

The initial application deadline for the American Bankers Association-sponsored D & O and blanket bond insurance program has been extended from March 15 to May 15, 1987.

Announcing the two-month extension, ABA President Mark W. Olson said the decision was made in response to request from bankers and from state bankers associations that have officially endorsed the program. He explained that bankers at promotional briefings for the program reported they hadn't had sufficient time to study the extensive materials. Also, there has not been time to conduct all of the promotional briefings that the state bankers associations have requested. "The deadline extension is an example of how this ABA-sponsored program is responsive to bankers' needs," said Mr. Olson, who is also president of Security State Bank, Fergus Falls, Minn.

The Progressive Companies, the primary carrier, has received more than 1,000 applications from all 50

states, according to Stephen J. Leaman, senior vice president of the Beachwood, Ohio corporation.

Total attendance at the more than 50 ABA-sponsored briefings in 25 states has passed the 3,000 mark. Eighteen state bankers associations have officially endorsed the program and are assisting to promote it.

Bankers who submit an application prior to May 15, 1987 and decide to participate in the program will be required to place an amount equal to their first year premiums for the D & O and blanket bond coverage in a special account, called a reserve premium account, in their own bank.

Bankers applying after May 15 will, in addition to establishing a reserve premium account, be required to make a cash reserve payment to the program equal to 50 percent of their first year premium.

Insurance application packages are available by calling Progressive at (800) 522-0412 or (800) 235-2820.

Chicago Investment Firm Hosts Seminars in 3 States

A one-day seminar on Bank Port-

folio Management will be presented in four cities in Iowa, Illinois and Wisconsin during May by Griffin, Kubik, Stephens & Thompson, Inc., a Chicago investment banking firm.

The seminars, aimed at helping banks achieve excellence in portfolio management, will be presented as follows:

- May 8—Des Moines, Ia., Marriott Hotel.

- May 14—Peoria, Ill., Pere Marquette Hotel.

- May 15—Chicago, Palmer House.

- May 21—Madison, Wis., Sheraton Inn.

Three principals of the firm will be the main speakers at the seminars—James L. Kubik, Larry O. Stephens and David M. Thompson. They will discuss topics covering portfolio strategies involving funds, municipals (taxable and tax-exempt), floating/fixed rate CMOs, and mortgage-backed strategies.

Interested bankers may register without charge by contacting Karen A. Hallberg at GKS&T in Chicago: 800/572-8943 in Illinois, or 800/621-5714 out-of-state.



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Perry Rutledge
President

1986 ANNUAL STATEMENT

ADMITTED ASSETS			LIABILITIES AND SURPLUS	
Bonds: (Amortized)			Reserves for:	
Government	\$257,994		Losses and Loss Expense	\$27,069,804
State, County & Municipal	84,704,996		Contingent Commissions	3,189,496
All Others	17,371,932	\$102,334,922	Taxes (Other than Federal Income)	550,341
Stocks: (Market-N.A.I.C.)			Unearned Premiums	8,243,496
Preferred	30,000		Funds Held Under Reinsurance Treaties	693,146
Common	1,334,483	1,364,483	All Other	1,230,239
Real Estate—Home Office Building	980,437		TOTAL LIABILITIES	\$40,976,522
Cash and Bank Deposits	1,712,181		Surplus as Regards Policyholders	\$74,163,629
Agents Balances & Reinsurance Receivables	5,968,631			
Interest Due and Accrued	1,975,495			
All Other	804,002			
TOTAL ADMITTED ASSETS	\$115,140,151		TOTAL LIABILITIES AND SURPLUS	\$115,140,151

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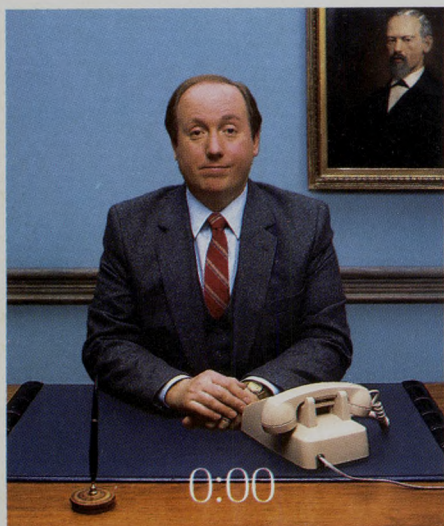
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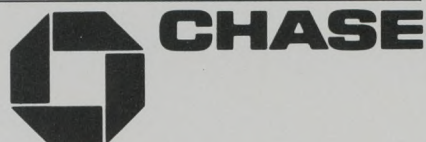
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Guest Editorial

By CHARLES R. LEFFLER

Lincoln, Nebr.*

YOUR RECENT open letter to Sen. Grassley as published in your *Weekly Newsletter* was read with great interest. I applaud you as editor of the *NORTHWESTERN BANKER* for the very accurate analysis of a most stressful situation, namely Chapter 12 Bankruptcy.

I would like to quote the Lincoln (Nebraska) *Journal* newspaper of December 21, 1986, in which it states that Donald Leu, president of Consumer Credit Counseling Service of Nebraska, stated 40 percent to 50 percent of those who file bankruptcy every year do so needlessly.

Though not realized by everyone, it is felt that farmers, bankers and all bank depositors are being exploited through a very small group of attorneys advertising for and promoting needless bankruptcy filings. It is not felt this unprofessional practice will cease until protective legislation is enacted.

As bankers, we are being forced to refuse credit to young farmers and businessmen who deserve to be helped in getting started. We want to help these young people as they are the future of our towns, our banks and our country. Because bankruptcy has become such an easy "cure all" for so many, we cannot risk depositor's money to help many of those who need our help to get started.

When legislators felt lenders were taking unfair advantage of borrowers they enacted legislation called "Truth-in-Lending."

This legislation has not been a total "cure all" but it has helped make many wrongs right. It is felt that much could be done also in the area of bankruptcy to correct "wrongs" created by bankruptcy.

I would estimate that for every 10 bankruptcies we see, six or seven have some degree of fraud involved. As an example, our bank has a bankruptcy case today where the customer listed real estate valued at \$500,000 to \$600,000 on his financial statement, listed title as being in his name, and the property involved was never titled in that individual's name.

We have many individuals who come back and state "if my lawyer had told me everything involved, and the adverse consequence to my family, we would never have taken bankruptcy." It is not felt there is a one hundred percent "cure all" in providing complete information and understanding to anyone taking bankruptcy, but I suggest the following:

Let's enact **Truth-in-Bankruptcy** legislation which will require the bankruptcy attorney to complete a questionnaire signed by both the attorney and client in every bankruptcy case. If the attorney involved failed to complete the form, he could be liable for malpractice.

Questions involved would be such as:

1. Was bankruptcy encouraged by any group or attorney?
2. Were you encouraged to enter bankruptcy by any advertising media your lawyer used?
3. Have you ever been adjudged a bankrupt before? — If so how many years ago _____?
4. Did your lawyer advise you your future credit could be damaged by having taken bankruptcy?
5. Did your lawyer advise you your ability to be bonded could be refused because of having taken bankruptcy?
6. Was any financial information given by you to the lender fraudulent in any way? (Please explain on reverse side, if true.)
7. Were the appraisals given by you to the lender correct to the best of your knowledge?
8. Did you own all collateral listed on financial statements (in your name) at the time you gave your financial statement to secure the loan?
9. Was any collateral transferred by you to any one else in anticipation of bankruptcy? If so, specify collateral, value, date transferred, to whom transferred.
10. Are all of your assets and liabilities listed on your bankruptcy filing?

There are probably more questions that should be asked. This application should be signed under oath by the bankrupt and his/her attorney.

Summary

If everyone taking bankruptcy realized fraud was no longer tolerated by the court, and their case would be set aside if fraud was uncovered, many bankruptcy cases would never reach court. Also, many cases would be avoided because more people would be truthful before reaching bankruptcy. This, of course, would decrease the number of cases filed, with great savings to the honest, creditworthy taxpayers of the land.

I feel the lender should be honest with the borrower. The borrower should be totally honest with the lender. The attorney should be responsible to advise his client about all aspects (good or bad) that result from bankruptcy.

It is hoped that "Truth-in-Bankruptcy" could be enacted and so make the attorney responsible to enlighten his or her client about what he is getting into from a credit standpoint, social standpoint, and business standpoint. □

*Mr. Leffler is chairman, president and CEO of the Security National Bank, which headquarters in Sidney, Nebr., and has a branch in Harrison. He also owns the Crawford State Bank and the Security State Bank in Holbrook.

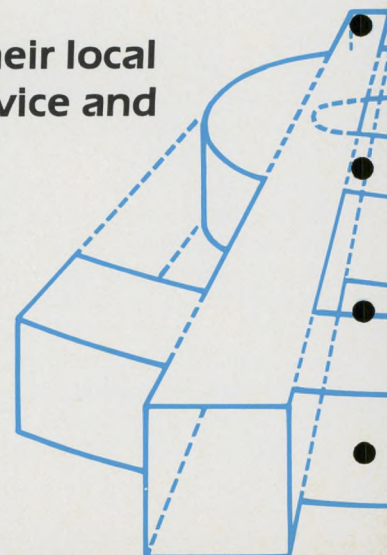
DOES YOUR BANK NEED



The results of a customer study commissioned by the Federal Reserve Board and Comptroller of the Currency* indicates that:

- 40 percent say they will change financial institutions in order to consolidate their financial affairs.
- 60 percent want to consolidate their financial affairs at their local bank. Compared to regional banks or national brokerage firms - less than 20%.
- The majority of the consumers, when looking for financial advice, turn to a banker.

Most customers say they want to remain loyal to their local bank, but they also insist on having additional service and investment choices.



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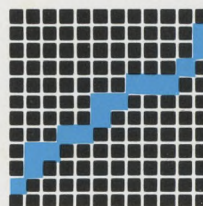
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*As reported in "Financial Services Supermarkets: The Market For Consolidation," 1986 by Kenneth Kehrer.

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1st Wisconsin Enhances *Online Banker*

FIRST Wisconsin National Bank of Milwaukee has announced enhancements to *Online Banker*, a direct inquiry and transaction service. First introduced in 1985, *Online Banker* allows corporate and correspondent customers to use personal computers or CRTs to access information stored on First Wisconsin's mainframe computer and to perform banking functions online.

On March 1, First Wisconsin added current-day information to *Online Banker's* prior-day reporting capabilities. Additions include:

- control disbursement clearings. Customers can see clearings totals by 9:15 a.m. CST, along with all of the check detail that comprises the totals.

- lockbox and cash letter deposits, as well as other paper-based activity. Float detail is provided, allowing viewers to identify what share of funds is immediately available.

- wire transfer activity. Customers can see incoming and outgoing wires as they are posted to their accounts, identified by wire number and the originating or receiving bank.

- investment activity. Displays transactions made through First Wisconsin's Money Center immediately upon posting to the customer's account.

This new information, coupled with prior-day balance reporting already provided through *Online Banker*, allows corporate treasurers and correspondent bank officials to monitor their balance position throughout the day. That way, they can make informed investments and borrowing decisions. "We recognize the need that corporate treasurers and our correspondent bankers have for current information," commented Tom Rave, vice president and division head for Cash Management. "We're committed to providing them with the quality products they need to do their jobs. By allowing them to access our mainframe computer, they now see what we see."

Also added to *Online Banker* in this phase is the ability to initiate, inquire and cancel stop payments online for control disbursement accounts—functions that were introduced for regular business accounts in Phase I of the product's develop-

ment. "Customers do not have to contact us at all now to handle stop payments. As a result, we can lower our prices by nearly 50 percent for stop payments made via *Online Banker*," Mr. Rave added.

First Wisconsin bankers will be available to discuss *Online Banker* and other products at the Twin Cities and Windy Cities Cash Management conference in April and June.

Three State Bankers Assns. Join BancInsure

BancInsure, the captive insurance company formed by five state bankers associations in 1985, announced recently that three additional states have purchased equity positions in the company.

BancInsure, formed originally by the state bankers associations in Minnesota, North and South Dakota, Oklahoma and Wisconsin, now has attracted state associations in Arkansas, Montana and Oregon. Licensing arrangements have been completed in each of the three new states and marketing efforts are underway, according to Galen Pate, president of BancInsure and president of the Signal Bank of West St. Paul, Minnesota.

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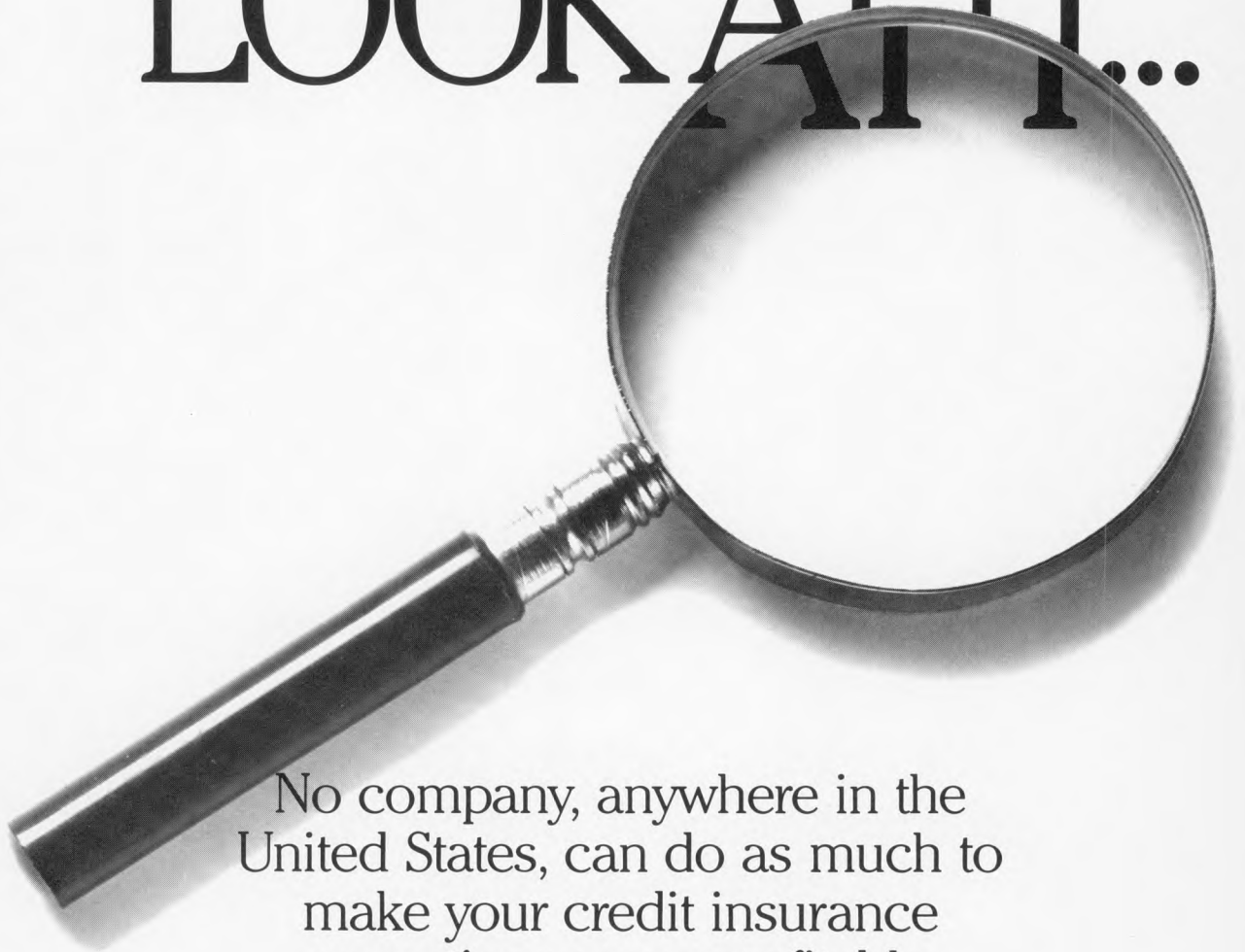
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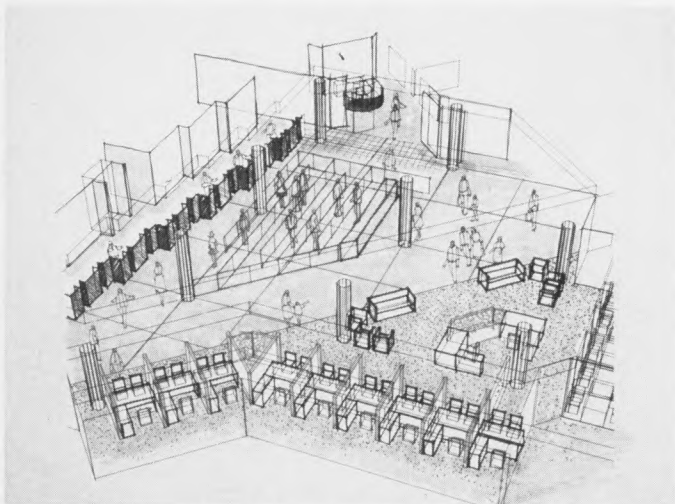
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A proposed design rendering generated by BBC's DART-I system.



Written especially for
THE NORTHWESTERN BANKER
By **REX DUNLAP**
Senior Vice President
Chief Operating Officer
Bank Building Corporation
St. Louis, Mo.

THE DECISION to build is only the beginning of a process many administrators find bewildering and frustrating. The amount of time, money and effort involved in even a modest building project can expose a bank to a substantial risk — risk that must be managed carefully in an era of growing competition and compressed margins.

One of the most important things a bank can do to reduce the risk involved in a building project is to select its design firm carefully. By asking the right questions, bankers can determine which firms will provide the right building for the right price, and which firms simply aren't up to the task.

Bankers must realize there have been some dramatic recent innovations in the design industry that can work to their advantage. New technologies and new ways of doing business are helping lower the risk involved in new construction projects. Banks should seek out firms that can offer the best of what is new.

We suggest that bank presidents and directors ask these 10 crucial questions when qualifying a potential design firm:

Question 1:

Does the firm have experience in the design and construction of banks? Financial facilities are not like

■ **ABOUT THE AUTHOR**—Mr. Dunlap has served Bank Building Corporation in his current position since June of 1986. He first joined the Bank Building's Atlanta Division in 1969, and had been president of the firm's Financial Facilities Group prior to his most recent appointment. Before joining BBC, Mr. Dunlap was president of Atrium, Inc., a Jacksonville, Florida-based commercial interior design firm.

10 questions to ask when selecting a bank design firm

other buildings, and banks are not like other financial facilities. A good design for a bank must be more than aesthetically pleasing; it must reflect an understanding of the special operational needs of banks. Specialists in the field will have experience in answering such questions as:

- What materials should be selected to withstand the wear and tear that normally occurs at teller windows?
- What kind of turning radius is required for drive-up areas?
- Where should offices be located in relationship to the lobby and to each other?

Decisions like these can best be made by a firm with a sound background in the design and construction of banks. An error in any of these seemingly minor details can lead to costly corrective work in the future.

Each bank has a special target clientele and should address the needs and personality of its community. A firm with experience in the banking field will be able to provide valuable insight into site selection and facility design that an inexperienced firm just doesn't have.

Question 2:

Does the firm have a good reputation with its previous clients? Talk to the officers of banks for whom the design/build firm has constructed facilities in the past. The firm itself should be happy to provide you with names of people to contact. Ask these questions:

- How smoothly did the project go?
- Was the facility constructed on time, and within budget?
- Is the new facility functional?
- Has the firm been willing to stand by its work?
- What problems did you have, and did the firm solve them to your satisfaction?

Question 3:

Will the firm take responsibility for both the design and the building of the project? Single-source responsibility provides a number of important advantages for the bank.

- It ensures that the design is consistent with engineering and construction standards and estab-

lishes a clear line of responsibility should problems occur.

- It leads to more reliable budgeting, because the firm proposing the design is fully aware of the costs involved in constructing it.
- It liberates the bank from the burden of coordinating construction and allows it to concentrate on the business of running a financial institution. Too often the bank finds itself refereeing a host of contractors, subcontractors, manufacturers, distributors and dealers. These diversions are both annoying and costly. Bank management should make the major decisions; the design/build firm should handle the details.

The hot topic in architectural circles today is how architects and construction managers should work more closely together. In design/build firms, this is already established practice.

Question 4:

Is the firm willing to perform the initial design work on a speculative basis? A competent design firm should have sufficient confidence in its work to produce a design that satisfies the bank management *before* it commits funds. Ideally, no charge should be made until the board approves the design of the facility, material selections and guaranteed cost. A design/build firm must have an experienced staff and advanced technical capabilities to undertake this much work on speculation, but the ability to do so further removes the element of risk from the building program.

Question 5:

How receptive will the firm be to your design input? While it is important to select a firm with knowledge and experience in the design and construction of banks, in the end it is the bank management itself that knows best how its business runs and what its operational needs and aesthetic preferences are. Will the designers of your new facility respect your wishes? Will they explore your design ideas? Too frequently architects present their designs to the client with a "take-it-or-leave-it" attitude. That kind of attitude is more than simply frustrating. It frequently prevents the bank from getting the kind of building it really needs.

Question 6:

Will the firm use computer technology? For bank



DOES the firm offer an extended warranty? Everything in the building—including HVAC, carpeting, roof and hardware—should be covered by the design/build firm's warranty. Above: Lobby, Home State Bank, Loveland, Colo.



DOES the firm have experience in the design and construction of banks? Specialists in the field will have experience in answering questions unique to bank architecture. Above: Colorado Bank & Trust Co, La Junta, Colo.

facilities, the application of computers to design, cost estimating, project management and a host of other tasks is no longer a luxury. Only computer technology can give the bank staff and the designer the flexibility to explore together many design options without weeks of costly delay. Moreover, computer graphics permit the clear visualization of various designs. A set of views can be run in sequence, to give the impression of "walking through" the proposed building. Capabilities such as these are necessary to give board members a clear idea of what various options will look like — *before* they commit to a final design.

Question 7:

Will the firm confirm a guaranteed price for the project early in the design process? The firm should be willing to state with confidence how much the project will cost well before approval is given. You are entitled to an early understanding of costs, design alternatives and the economics of various space and quality options. The firm should be able to tell you exactly how your money will be spent.

To offer a guaranteed price, a firm needs advanced computer capabilities and a constantly updated data base of material prices. The figure should also be based on "Third Party Cost Modeling" — a method of determining competitive costs for similar projects constructed by other firms in the same area. Finally, guaranteed pricing is almost impossible if the firm does not perform both design *and* build functions.

Question 8:

Will the same consultant stay with your project from beginning to end? Frequently, the individual who works with the bank at the outset of the building program is taken off the team as soon as the contract is signed, to be replaced with architects, designers and construction managers who are unfamiliar with the institution's operational needs and aesthetic desires. This, obviously, introduces an element of confusion, inefficiency and uncertainty into the design/build process. To avoid disappointment, the bank should select a firm that will assign a single person to coordinate the program from its initiation to its completion.

10 QUESTIONS. . .

(Turn to page 20, please)



Citizens National Bank, Darlington, Wis.



Written especially for
THE NORTHWESTERN BANKER
By **GERALD L. GROSS**
President
Kirk Gross Company
Waterloo, Ia. and
Pensacola, Fla.

HAVING built and designed financial facilities in Florida, Iowa, Illinois, Minnesota, and Wisconsin, we believe that quality functional bank facility design should not be limited by state borders.

Functional bank design is a prerequisite that knows no state boundaries. The citrus grower in Florida and farmer in Iowa go to their bank for the same reason and both will feel more comfortable discussing their financial situation in an environment that is designed specifically to meet their needs. An elderly customer using the drive-up or parking lot should be able to do easily and safely without worrying about the snow on the ground or the bright Florida sun. The ATM user should be given the same consideration for his or her safety whether ATM is outside the building under a bright, fabric canopy or inside a heated vestibule.

Serving Customer Needs Is First

The snowbirds in Florida, the teenager in Wisconsin, the factory worker in Illinois and the housewife in Iowa all share the same desires to conduct their financial activities in a pleasant and attractive atmosphere. Banks, savings and loans and credit unions can and should address these customers' needs to compete in the marketplace. If proper space planning and functional design is utilized, a retired couple investing their pension can conduct their business while the 12-year old is using her babysitting money to open her first savings account. That's what good functional bank design is all about.

Serving Operational Needs Is Next

We believe that financial facilities in Florida and Iowa must be designed from the inside out. The building can be designed easily to look good but first it must

Functional bank design knows no state boundaries

"work good." How does a facility "work good?" It does so by proper space planning and design to get the best utilization of its employees.

For example, the typical branch bank should be designed so inside tellers can double at the drive-up, so that customer service people can double as receptionists or vault custodians if necessary, and the branch manager can work from the officer platform or a private office with a good view of the overall operation. Flexibility in design will give each facility that built-in ability to adapt to management's own method of providing service.

Quality Should Be Constant

Geographic differences do dictate changes in building construction, but we feel the quality of workmanship should not change. Quality construction workmanship and quality materials used throughout a facility might not be the cheapest way to open the door but the banker will quickly realize it will pay for itself in very short order. Seven years ago, Kirk Gross Company designed and built a bank in Lake City, Fla., using quality materials. Today, seven years later, that facility could pass for a building less than six months old while a competitor in the area has gone through its second remodeling in the same time frame. It should be obvious by this true example, that quality does pay for itself.

Isn't a Bank a Bank Regardless?

Yes and No. Local pride will say "we do things different than they do it down south" or vice versa but do we really? Think about it. Isn't your primary goal to increase your customer base and show a profit? That's a universal statement of fact and there is one sure way to reach that goal when considering your design team to remodel or build your facility.

Select a design team that has the in-house expertise, the track record and the commitment to a quality product as your prime mover to accomplish your goals. An interstate bank building and design firm that can illustrate its commitment to your needs with *its own* full time architects and construction people, while using local expertise familiar with the local conditions, and a firm that has made the financial commitment to pro-

vide *personal* statewide assistance, is the best answer. Why not gain from their interstate experience?

Pick Building Team Carefully

But pick your turn-key team carefully. Just as financial institutions differ from area to area, so do the various design/build firms. Big doesn't necessarily mean the best. Check out their past record with their old clients, not just their recent clients. How has the project stood the test of time? Find out how long their staff has worked for them. Can they indeed do what they say they will do? Are they small enough to give your project the personal attention you will rightfully expect? Will they design your facility to meet your

needs, or will they attempt to sell you someone else's design? Do they use their own construction and architectural staff or simply subcontract everything, resulting in poor quality control? Do they live up to the budget and, above all, do they pay for their own mistakes?

While working for bankers in Iowa or in Florida for many years, we knew that each client had his own particular needs and goals, thus each project (over 285 at this writing) was designed specifically to meet and solve each client's goals. With over 1,000,000 square feet behind us, it proves that boundaries are only a state of mind. □

10 QUESTIONS. . .

(Continued from page 18)

Question 9:

Does the firm use a rigorous cost-control and project management system? The firm you select should have a proven system for determining the best prices for materials and services and be able to spot overruns early enough to respond to them effectively. The firm should make use of extensive computer data bases to determine bidding and performance experience of suppliers throughout the country. If, as a result of competitive bidding, the cost of the facility is lower than anticipated, those savings should be passed on to you.

Proper sequencing of the construction project is also important. Especially in the case of remodeling and expansion projects, banks often need to stay in operation during construction. That requires a careful project management program so parking and pedestrian areas are not blocked with excess materials and equipment, and facilities will be brought on-line in the most efficient manner.

Question 10:

Does the firm offer an extended warranty on its buildings? A warranty is one of the truest indications of the confidence a design/build firm places in its own work. Everything in the building — especially the heating-ventilating-air-conditioning system, the roof, the carpeting and the hardware — should be covered by the warranty, on a deductible basis. Most firms offer a standard one-year warranty, but the firm should ideally also offer an extended three-year warranty, bringing the total coverage to four years. Such a warranty not only assures you the firm will stand by its work — it provides valuable insurance for the bank, and further removes risk from the building program.

It is also important to select a firm that will actually return to fix problems with the building if they arise. A good design/build firm will establish an on-going relationship with the bank that will continue long after the grand opening of a new facility.

By selecting a firm that offers the best of new technologies and design/build practices, a bank's president can be more certain that the new facility is cost effective and efficient. The right design/build firm will provide better value with less risk. That all adds up to peace of mind for the bank. □

DEAR READERS. . .

(Continued from page 4)

the Ohio bar in November, 1978, and the Michigan bar in 1979, Dr. Austin earned the professional designation of Chartered Financial Analyst (C.F.A.) in 1969.

Since 1967, Doug Austin has been president and CEO of Douglas Austin & Associates, Inc., Toledo, Ohio. This consulting corporation specializes in assisting financial institutions of all types and sizes with unusual problems and opportunities, ranging from mergers and acquisitions, bank holding company formation, stock valuation, capital programs, A/L management, strategic planning to problem bank consulting. His personal fortes are evaluations, anti-trust law and expert testimony, with special emphasis on tender offers, on which he is a leading authority. He is widely known as a speaker on financial institution

structure, management and operation, and also publishes articles on a continuing basis in financial/legal magazines.

Dr. Austin was a teaching associate in the Department of Economics at Indiana University while earning his Ph.D. there. He was on the faculty of the University of Michigan's Graduate School of Business Administration from 1963-65; was research economist at the Federal Reserve Bank of Cleveland from 1965-67, and associate professor of finance in the School of Business at Western Michigan University, Kalamazoo, from 1967-69. He then joined the Department of Finance at the University of Toledo in 1969 as associate professor and chairman in 1969 and continues at that university today as chairman and professor.

Dr. Austin's down-to-earth speaking ability, touched with the right dose of humor and side commentary, has mixed with his in-depth knowl-

edge of the financial field to earn him top ratings at the more than 200 presentations he has made at both national and state levels. He has conducted seminars and served as chairman or speaker for financial discussions for Bank Administration Institute on numerous occasions. He has presented similar seminars and speeches before state banker associations in Iowa, Nebraska, South Dakota, Wyoming, Illinois, Ohio, Indiana, Michigan, Kentucky and the Independent Bankers of New York.

You can see from this background why we are pleased to provide you with these special articles from one of America's noted consultants on bank management. We hope you enjoy this extended series of articles as much as we do in bringing them to you.

Ben Haller, Jr.
Publisher

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PARTICIPATING in this exclusive interview were, from left: **James V. Kuchar**, pres., Western State Bank, Devils Lake, N.D.; **Richard J. Schurtz**, pres., Bank of New Richmond, Wis.; **C.G. Kelly Holthus**, pres., First National Bank, York, Nebr.; **LaRae Orullian**, pres., The Women's Bank, Denver, Colo., and **Franklin H. Moore, Jr.**, pres., Commercial and Savings Bank, St. Clair, Mich.

By **BEN HALLER, JR.**
Publisher

COMMUNITY BANKERS are re-confirming more strongly than ever before that they have a marked influence on the reputation, the direction and the national clout of the American Bankers Association. And they are finding continually, as they have for some years, an ABA increasingly responsive to their particular needs to help them maintain a position of leadership in their communities.

They demonstrated this belief and commitment again early last month when 800 bankers, an appreciable increase over the 1986 conference, gathered in Phoenix for the ABA's 1987 National Conference for Community Bankers, presented by the ABA Community Bankers Council. During the two and one-half day conference they found the theme, "The Working Forum and Peer Exchange for Today's CEO," became reality with a program that started at 7:00 a.m. and 8:00 a.m. each morning and continued until late afternoon the first two days and until noon the final day.

In addition to hearing 15 general session and luncheon speakers, registrants could choose from among 36 smaller sessions presented as product demonstrations, concurrent workshops and peer group discussions. A special presentation titled "Banking on the Future" was presented by ABA President Mark W. Olson and Executive Vice President Donald G. Ogilvie. Mr. Olson is president of Security State Bank in Fergus Falls, Minn.

The strong program afforded each registrants an opportunity to improve his or her knowledge in many key areas of bank management and operations today. Because of the broad range of material offered for two and one-half days, this conference report will not center on the details of those particular presentations, but will focus on the thoughts expressed by five of these Community Bankers Council leaders in an exclusive interview conducted with them by THE NORTHWESTERN BANKER after one of the afternoon sessions was completed.

Taking part in this interview were:

Community Bankers Council Leaders Discuss ABA's Role

- Franklin H. Moore, Jr., chairman of the Community Bankers Council; chairman and president, Commercial and Savings Bank, St. Clair, Mich.

- C.G. Kelly Holthus, president, Nebraska Bankers Association; president, The First National Bank of York, York, Nebr.

- James V. Kuchar, president, Western State Bank, Devils Lake, N.D.

- B. LaRae Orullian, president and CEO, The Women's Bank, N.A., Denver, Colo.

- Richard J. Schurtz, president, Bank of New Richmond, New Richmond, Wis.

Mr. Holthus, Mr. Kuchar and Ms. Orullian are also members of the ABA Community Bankers Council. Mr. Schurtz is a former member of the Council.

The discussion centered on ABA's educational offerings to community bankers, the amount of money spent by banks on staff education, the Council's most important programs, an assessment of the Leadership Conference, and what community banks are doing in strategic planning. Because of the length of the interview, the first part follows and the second part will appear in the next issue.

Q. What do you think the ABA Community Bankers Council can offer in a practical way to community banks to assist them with in-house or outside training?

Mr. Moore: We have used the Bank Video Training program from ABA for our internal training and that's been quite effective for us. As far as sending people away to schools, last year I sent my second officer down to Dallas for the Executive Development Program. That was quite effective; we found it to be very good. Those are two things we've used in this past year.

Mr. Schurtz: I'd second that. At our bank, we had not even been aware of the Video Training program until I was appointed to the advisory board. It struck me as a rather well-kept secret, but since that time we've used three or four of them and they've been excellent.

Mr. Kuchar: We've used training films and video cas-

settes for about 10 years in our bank. The ABA information seems to be quite current. It's a quick update for our employees, and certainly the officers. There's a lot of information available for the officers in their various fields, as well as CEOs, management and, sometimes, directors. The new D&O coverage (now offered through an ABA captive company), and directors responsibilities are covered briefly in some of that information available on tapes.

We look to our officers to attend at least one week of outside training per year and generally this training is in the field they're working in. In other words, consumer loans, ag lending, real estate, or whatever, and they pick their school, so to speak, and the board by review gives the final approval. So far as the staff—tellers, bookkeepers, computer operators and others—we like to send them off whenever possible to our state association training, which is actually supported by the ABA, and puts on some good one to one and one-half day workshops for those people. Teller training is a good example. Stress management is something that has come to our state through the NDBA association. We use that and it's really kind of nice to send our people there because they not only have a chance to get out of our shop, but they get a chance to visit with people who are in the same profession they are. It makes them feel good to find others who do the same things as they do. I think that to them it's really important. Training is extra important, as one of our speakers said today, for we think that both outside and inside training are important to us.

Ms. Orullian: I would just add one other point. This whole Community Bankers Division brings into focus that the ABA is *not* just for the large banks. Through programs such as this, the various conferences that are sponsored by ABA which allow us to come and gather resource information, we can pull speakers into our own areas because we've heard them at some of these conferences and found them very helpful, so then at the local level they are also most helpful.

Q. How much money do you spend each year on in-house and outside training, including travel, registrations, fees, teachers' time, books, etc?

Mr. Holthus: I happen to remember what our outside training is for this year and I think it's about average of what we've done the past three years. Our budget is \$10,000. That includes some two-week schools. In-house costs are rather minor. Tuition for most of the schools runs about \$1,500. Transportation is not a big item because we have them take a bank car; there's a very little flying involved.

We'll send our people to the ABA Ag Lending School at Ames, Ia., down to Oklahoma City and then maybe to the Graduate School of Banking at Madison or the Banking School out at Boulder, Colo. We probably have three or four people go, so it's about a \$10,000 item. In-house training is just a matter of time.

Mr. Kuchar: It really makes a difference of where your officers are in their own development and what kind of training you need for each of them. I have one at the University of Colorado school at Boulder and, of course, that's \$2,500 right there. So, it depends on where your staffing is in their work experience and

their training needs. I think we're spending somewhere between \$8,000 to \$10,000 on the outside training and possibly \$2,000 to \$3,000 on their inside training.

Mr. Moore: We're a little larger bank. Of course, I have a trust department which means those people have to go to Chicago or New York to get current on tax laws and that sort of thing, so I know that we're spending \$40,000 on training. This includes some college courses that our people are encouraged to take and for which they're reimbursed. I would say that internally we're spending \$10,000. This is for in-house materials, training tapes, compensation for extra supervisory time. Also, we've just brought in this past six months a lady from our local community college to do some models for management training, which is a two and one-half day course. Eventually, we'll have all of our officers go through that, and *that* runs \$2,500 a pop.

"Any bankers who are critical of services provided really haven't looked into what's available, or they haven't come to a meeting like this."

—Kelly Holthus, Nebraska

Mr. Schurtz: Ours does not run as high as these others. We've recently changed our emphasis. We've never spent much on internal training. We've used workshops and seminars and so forth quite a bit in the past. Up until about a year ago we didn't do much in-house. We've changed that emphasis and although I don't know exactly what we'll spend this year, I would guess maybe \$2,000 or \$3,000.

Ms. Orullian: Our bank is eight and one-half years old. We looked for experienced people and "stole" as many good ones as we could and then did a lot of in-house training. In the last four or five years we've spent more time sending them to local conferences or workshops. We certainly encouraged all employees to go through the AIB program. We also spend a lot of resources on educational programs for customers. That's been a real focus which has created a whole new atmosphere in our community for training for customers, so that now everyone's doing it. We do our seminars on a quarterly basis. They are conducted by our own people and then we bring in professionals like CPAs or attorneys.

Q. What are the most important programs the Community Bankers Division of ABA is providing for bankers?

Mr. Holthus: I think for anyone who is critical of the ABA for not supplying what they need I can only repeat the old saying, "God helps those who help themselves." It's there! We went through the ABA library the last time we were in Washington and saw all the research that's available and all the information that's available on all the seminars and all the meetings. Any bankers who are critical of services provided really haven't looked into what's available, or they haven't come to a meeting like this.

ABA INTERVIEW...

(Turn to page 43, please)

Illinois

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



Nominees for IBA Board Announced

THE IBA's regional nominating committees and the nominating committee for the Large Bank Category have announced the nominees for positions on the Association's Board of Directors. The bankers who have been nominated for two-year terms beginning on July 1, 1987 are as follows:

REGION I

Large Bank Category—William C. Mitchell, Lake Shore National Bank, Chicago.

Small Bank Category—Denis Daly, Suburban Trust & Savings Bank, Oak Park.

REGION II

Large Bank Category—Loren D. Storey, Zion State Bank & Trust Company.

Small Bank Category—Fred L. Shaw, Union National Bank & Trust Company, Elgin.

Undesignated—Ted C. Axton, First National Bank of Antioch.

REGION III

Large Bank Category—Richard M. Bishop, First National Bank of Moline.

Small Bank Category—Morris E. Peine, First Farmers State Bank of Minier.

Undesignated—Ronald L. Wohlwend, Grundy County National Bank, Morris.

REGION IV

Large Bank Category—Daniel E. Marvin, Jr., First National Bank, Mattoon.

Small Bank Category—Jack Tate, First Trust Bank of Shelbyville.

REGION V

Large Bank Category—Michael Travelstead, DuQuoin State Bank.

Small Bank Category—Don Schaack, First National Bank, Mascoutah.

Undesignated—Darl L. Bollman, First National Bank of Steeleville.

LARGE BANK CATEGORY

Robert P. O'Meara, First Midwest Bancorp, Inc., Naperville.

John B. Tingleff, Continental Bank, Chicago.

Charles H. Cory, II, The Northern Trust Company, Chicago.

Election to the Board will take place by mail ballot, with the results to be announced at the annual meeting in June. □

IBA Trust Conference To Be Held May 7-8

The Illinois Bankers Association will hold its Trust & Investment Management Conference on May 7-8 at the Hilton Inn in Collinsville.

Scheduled speakers include Frank Spinner, president of LeMay Bank & Trust in St. Louis; Jim Mitchell, senior vice president of operations at Northern Trust; Ted Ridlehuber, president of Cannon Financial Institute; Robert Williams, president of Meridien Asset Management, Philadelphia; Robert Sabin, tax lawyer, Chicago; Larry Doyle, national sales manager of Feldman Securities, Inc., and former host of the TV show "Jeopardy!" Art Fleming.

For information or to register, contact Kathleen Kane at the IBA.

Promoted in Rockford

At AMCORE Bank Colonial, Rockford, three officers have been promoted.

Mary L. Sujak has been elected vice president and controller. She was previously assistant treasurer of AMCORE Financial, Inc., the bank's holding company parent. Ms. Sujak joined AMCORE Financial, Inc. in May, 1986.

Janet L. Goldammer has been promoted from assistant vice president and operations officer to cashier. She has been with the bank 20 years.

Promoted to assistant vice president and manager of the Alpine Village facility was Sherry L. Schwebke. She has been with the bank 15 years, most recently as assistant cashier.

Tower to Address IBA

Senator John Tower, chairman of the Tower Commission, which recently released its 304-page report on the Iran/Contra affair, will speak at the Illinois Bankers Association Annual Convention in Peoria in June.

Senator Tower will address the convention at 9:00 a.m. on Thursday, June 11. He will also be the guest of honor at a special ILLINOIS BANKPAC reception that day.

Named in Galesburg

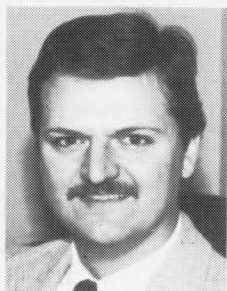
First Galesburg National Bank and Trust Company, Galesburg, has announced that Charles A. Cooley, II has been named assistant vice president and farm manager. He replaces R.G. Olmstead, who retired December 31, 1986. Mr. Cooley's primary responsibility will be to assume management of farms through First National's trust department. He brings with him nearly eight years experience in all phases of farm operation and management. Most recently, Mr. Cooley was senior farm manager of First National Bank of Springfield.



Marcel Levesque has been named chairman and chief executive officer of Bank of Westmont, Chicago. He formerly served as the bank's president. Albert P. Harker, Jr. has been

named president and chief operating officer of the Bank of Westmont. He was promoted from executive vice president.

David G. Henry has been named president of First Colonial Mortgage Corporation, a subsidiary of First Colonial Bankshares Corporation. Mr. Henry previously served as vice president of secondary marketing for Magna Mortgage Company,



D. HENRY

St. Louis, Mo. Prior to that he worked in the loan production and administration department for Millikin Mortgage Company, Decatur, Ill.

Lynn S. Feiger has been named president and **David S. Tauman** promoted to vice chairman of Affiliated Asset Based Lending Services, Inc. (AABL), Morton Grove, a subsidiary of Affiliated Banc Group, Inc.

Ms. Feiger was previously vice president of AABL. She also serves as vice president of several Affiliated Banks, including North Shore, Morton Grove, Franklin Park, and Western National in Cicero.

Mr. Tauman was instrumental in the formation of AABL in 1983, and served as president.

Gerrie M. Smith has been promoted to vice president, cashier of Affiliated Bank/North Shore National. She previously served as vice president of the bank. **Denise Lara** has been promoted to assistant trust officer and **Paul G. Ponticell** has been advanced to assistant vice president. Ms. Lara joined the bank in 1982 and previously served as trust department supervisor. Mr. Ponticell was a credit officer for the bank previously.

Five officers have been promoted at Affiliated Bank Western National.

Walter W. Niezgoda was advanced from assistant vice president to vice president of personnel.

Paul K. Hansen was advanced from officer of business development to assistant vice president and

business development officer. **Ernestine J. Portell**, previously a real estate loan manager, was promoted to mortgage loan officer. **Barbara Sraga**, formerly a customer service representative, is now a personal banking officer. **Kim M. Kubowicz**, formerly a personal banker, was promoted to personal bank officer.

Karen W. Brennan has been promoted to vice president at Northbrook Bank, it has been announced by bank president **Richard K. Pearson**. Ms. Brennan previously served as manager of commercial marketing for W.N. Lane Interfinancial.



K. BRENNAN

She is a member of the Bank Marketing Association. Northbrook Bank is a member of the Lane Bank Group.

Betty Holcomb has been promoted to assistant vice president of Affiliated Bank/Morton Grove. She has been with the bank since 1978, and will continue to serve as facility manager.

At Northwest Commerce Bank, Rosemont, **Diane M. Vandenberg** has been promoted to assistant vice president/cashier, and **Julie A. Nolan** has been advanced to operations manager. Ms. Vandenberg previously served as assistant cashier for the bank, while Ms. Nolan was its bookkeeping manager.

Also at Northwest Commerce Bank, **Brian C. Baker**, principal of The Vestor Companies, and **Jeffrey W. Krol**, president of Jeffrey Krol and Associates, have been appointed as directors. Mr. Baker is a member of the Illinois Bar and Mr. Kohl is a certified public accountant.

At Franklin Park Bank, **Michael K. Ryle** has been promoted to assistant vice president, **Ronald G. Zemon** to assistant vice president, **Patricia A. Grey** to assistant vice president, **Connie M. Alioto** to commercial loan officer, and **Donna G.**

Fahlgren to administrative assistant.

Mr. Ryle joined the bank in 1983, and most recently served as a business development officer. Mr. Zemon also previously held that position. He joined Franklin Park Bank in Jan., 1986. Ms. Grey joined that bank in 1979 and previously served as assistant cashier.

Ms. Alioto previously served as a commercial loan administrative officer, and Ms. Fahlgren was an assistant cashier.

James Otis, Jr. has been named a member of the board of directors of Lane Financial, Inc. He is founder and chairman of Otis and Associates, Inc., an architectural firm, and founder and president of Otis Development Company, a real estate acquisition, development and consulting firm. He is also on the boards of Northbrook Bank and Pioneer Bank.

At Affiliated Bank/DuPage, **Shirley Ann Winters** has been promoted to operating officer, **Rhonda L. Brynjolfsson** to commercial loans administrative officer, and **Nancy A. Bennett** to commercial loans administrative officer.

Ms. Winters joined the bank in 1978 and most recently served as secretary to the vice president.

Ms. Brynjolfsson has been with the bank almost ten years, most recently as officer of commercial loans.

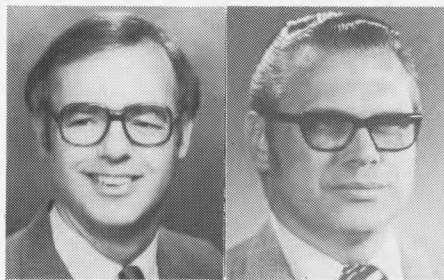
Ms. Bennett joined the bank in 1979 and previously served as executive secretary to the president.

The headquarters of MONEY STATION, the newly consolidated automated teller machine network of CASH STATION and MONEY NETWORK, will move to a new location, according to **Stephen S. Cole**, president. Its new address will be 188 West Randolph, Suite 800, Chicago.

MONEY STATION has unveiled its corporate identification program. A major advertising and public relations campaign will be launched in conjunction with the conversion roll-out this summer. The campaign conveys to customers that they may use either their former ATM cards or new MONEY STATION cards, and have access to nearly 1000 machines in the Chicago area.

Minnesota

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



Minnesota Hosts Tri-State Trust Conference

THE Tri-State Trust Conference, sponsored each year by the bankers' associations of Minnesota, North Dakota and South Dakota, will be held this year on April 26-28. Minnesota will host the conference at the Ramada Inn in Moorhead.

The conference will begin on Sunday evening with a special Welcome Reception. On Monday, sessions will focus on "Managing for Performance," the "Shareholders Communications Act," human resource management, economics, retirement plans, stock market outlook and stress management. The day concludes with a reception.

On Tuesday, the program will feature sessions on employee benefit business, tax reform and economic policy, and will conclude with a special luncheon program on banking and the changing regulatory environment.

The complete program follows:

Sunday, April 26

P.M.

- 4:00 Registration.
- 6:00 Welcome Reception.

Monday, April 27

A.M.

- 7:45 Buffet breakfast.
- 9:00 Call to order and opening comments—Mark Stenson, chmn., MBA Trust Comm. and pres., First American Trust Co. of Minn., Marshall.
- Welcome to Moorhead—Mayor Morris Landing.
- Managing for Performance—Robert Boyles, s.v.p., Security Pacific National Bank, Los Angeles.
- Shareholders Communications Act—Jean Chaput, s.v.p., National City Bank, Minneapolis.

Managing People in a Changed Environment—Barbara Hanley, Hanley & Assoc., Minneapolis.

P.M.

- 12:00 Luncheon and program. Economic Outlook—William C. Dudley, sr. economist, Goldman Sachs & Co., N.Y.
- 2:00 Call to Order. The Impact of the Tax Reform Act of 1986 on Retirement Plans—Daniel A. Notto, gen. counsel, Universal Pensions, Brainerd, Minn.
- Stock Market Outlook/Strategy—William Bahl, s.v.p., Northern Trust Co., Chicago.
- How to Handle Stress—Mary Jo Paloranta, v.p., Staff Plus, Minneapolis.
- 5:00 Reception.

Tuesday, April 28

A.M.

- 7:45 Buffet breakfast.
- 9:00 Call to order. Are You Getting Your Rightful Share of Employee Benefit Business—Daniel Notto.
- Tax Reform and the Trust Industry—Jack Carlson, atty., Thomsen, Nybeck law firm, Minneapolis.
- Conference evaluation and comments.
- 11:30 Hotel check-out.
- P.M.
- 12:00 Luncheon and program. Banking and a Changing Regulatory Environment—Dr. Paul Nadler, prof. and economist, Rutgers U., New Brunswick, N.J.
- 2:00 Concluding comments and adjournment. □

MBA Announces Convention Program

The Minnesota Bankers Association has announced its program for the 97th Annual MBA Convention, "In Transition," to be held June 8-9 at the Marriott City Center in Minneapolis.

Featured speakers scheduled include: Mark W. Olson, president, American Bankers Association and president, Security State Bank, Fergus Falls; Tom Brokaw, anchor, NBC News; Hugh Sidey, Washington editor, *Time* magazine; Harvey Golub, CEO, Investors Diversified Services; John J. Detterrick, president, Sears Consumer Finance Company.

The theme "In Transition" was chosen to reflect not only the changes in the world of banking but also a new and improved convention format which has been condensed to enable more banker involvement. The convention will feature special sessions on economic development issues in Minnesota as well as small group sessions on productivity, marketing, negotiating and loan review.

MBA President Roy Terwilliger, president of Suburban National Bank, Eden Prairie, will preside during the two-day convention.

A complete program of the MBA convention will be featured in the May issue of *THE NORTHWESTERN BANKER*.

Promoted in Brainerd and Baxter

First American Bank of Brainerd/Baxter recently announced three staff changes in the bank's lending department.

Diane Runberg, vice president, will become a full-time commercial loan officer at the downtown Brainerd office of First American. She was previously loan officer and manager at the Baxter office of the bank.

Reed Campbell will replace Ms. Runberg as manager of the Baxter office. He will remain manager of the installment loan department and will have the added responsibility of developing special loan programs in the Baxter area.

Beverly Marx, assistant vice president, will begin duties in the installment loan department in addition to her responsibilities as human resources officer. Joyce Czech, executive secretary, will assist Ms. Marx in human resources.



Twin Cities



Marquette Bank Minneapolis has announced a major reorganization of its management structure. Under the new structure, the following senior vice presidents will be responsible for the three major operating areas of the bank.



P. GALLIVAN

Philip J. Gallivan, Jr. will manage all traditional banking services for the downtown offices of Marquette Bank Minneapolis, including all lending and credit functions, executive banking, marketing and consumer depository services.

Patrick L. Stotesbery will manage all less traditional fee income oriented groups and companies, including Marquette Capital Management Corporation, Marquette Lease Services, investment sales and training as well as the trust and correspondent banking groups.



P. STOTESBERY



B. COLIANNI

Albert J. Colianni, Jr. will manage all financial and operational support areas, including all financial functions, operations, human resources and administrative services.

Thomas R. Rice has joined First Bank System as vice president of capital financing. He has most re-

cently been associated with Bank of New England Corporation, Boston, where he served as vice president, corporate banking. Prior to that time, he worked for Braxton Associates, a strategy consulting firm.

Norwest Corporation has announced that **William J. Brechtel** has been named vice president and head of secondary marketing in the banking group's new mortgage banking services division.



W.L. BRECHTEL

Mr. Brechtel was senior vice president and special assistant to the president of Norwest Mortgage, Inc., a unit of Norwest's financial service group. He joined Norwest in 1975 in the corporate controller's office and was vice president/controller of the specialized financial group when he was named a special assistant to the Norwest Mortgage president in 1984.

American National Bank of Saint Paul has announced a number of officer promotions.

Gary M. Omerza has been promoted to vice president and senior funds manager. He joined ANB as a trust accountant in 1969 and has held several positions since, most recently vice president—bond.

Peter M. Bradt has been advanced to vice president—construction. He joined the bank in 1978 as a credit analyst, and after several promotions most recently was assistant vice president.

Jack P. Hoehl has been named vice president of data processing. He joined ANB as a programmer

analyst in 1975 and has held several positions since, most recently assistant vice president of systems and programming.

Mary E. Pachl has been promoted to vice president of operations, having served previously as assistant vice president in that department. She joined the bank in 1980 as an operations technician.

Dixie L. Biller has been promoted from account administrator personal trust to trust officer. **Elaine R. Grittner** has been advanced from senior compensation/benefits analyst to human resource officer. **Carolyn E. Johnson** has been promoted from personal banker to personal banking officer.

American National Bank has also elected two directors. They are **Andrew P. Czajkowski**, president and CEO of Blue Cross and Blue Shield of Minnesota, and **Michael E. Shannon**, executive vice president and chief financial and administrative officer of Ecolab, Inc., St. Paul.

Eastern Heights State Bank of St. Paul has elected **Michael J. Barrett** president and a member of the board of directors. He began his banking career with First Bank St. Paul, prior to joining Eastern Heights in 1975. He most recently was executive vice president.



M.J. BARRETT



R.J. HUBBELL

Mr. Barrett succeeds **Robert J. Hubbell**, who has retired after more

than 28 years as the bank's sole chief executive officer and president. Mr. Hubbell has served as president of the Minnesota Bankers Association. He will continue to be a member of the bank's board of directors.

* * *

Norwest Bank Minneapolis has named **Robert A. Amundson** senior vice president and head of payment operations for Norwest Technical Services, Inc. Prior to his appointment, he was vice president of consumer operations, manager of bank systems and manager of consumer systems for Norwest Bank Minneapolis, which he joined in 1982.

* * *

At Commercial State Bank, St. Paul, **Richard L. Kastner**, executive vice president, was elected president and chief operating officer. He will continue as chairman and CEO.

Mr. Kastner joined the bank in 1975 and has served as executive vice president since 1979.

* * *

David Levy has been named vice president and director of public affairs at the Federal Reserve Bank of Minneapolis. Prior to joining the Fed, he had been director of public affairs at Medtronic, Inc. He has also served as media director at the Minnesota House of Representatives.

* * *

Western Bank, with offices in St. Paul, Maplewood and Oakdale, has announced four promotions.

Scott A. Johnson has been named assistant vice president. He has been responsible for most phases of

opening the new Western Bank Oakdale office, and has managed the facility since its opening last August.

Fizal Kassim has joined the bank as personal banking manager of the University Avenue office. He previously managed the personal banking area at Marquette Bank Minneapolis.

Linda Martinez-Higgins has been promoted to human resources officer. She has extensive experience in benefit administration which she attained while employed with St. Paul Companies.

Timothy Higgins has been promoted to operations officer. He came to Western Bank from American National and First Bank Information Services, with expertise in various computer applications.

* * *

Richard L. Schlichte has joined the staff of Marquette Bank Columbia Heights as assistant vice president, manager of the Fridley office. Mr. Schlichte was most recently associated with Fulda State Bank of Fulda, Minn. Prior to that he was associated with Schoon Motors, Worthington, Minn. He is a graduate of Southwest State University and the Minnesota School of Banking.

* * *

Allen J. Olson has joined the staff of Diversified Discount and Acceptance Company, a subsidiary of National City Bancorporation, as vice president—marketing. He will be responsible for structuring financial programs for prospective clients in the Midwest. Mr. Olson spent the last 11 years with Barclays American Business Credit, Inc., most recently as regional vice president—business development.

* * *

R. Dan Luther has been appointed to the board of directors of Metro-Bank Bloomington/Minneapolis/

Airport. Mr. Luther is general manager of Brookdale Pontiac, GMC and Honda.

* * *

William B. Naryka has been elected a director of Bremer Financial Services, Inc., St. Paul. He has been with Bremer since 1982 and serves as chief financial officer/senior vice president. He supervises asset/liability management, audit, controller, investments, human resources and data processing functions.

* * *

Marquette Bank Minneapolis has announced the introduction of a new equity fund for employee benefit plan customers. The fund, called the Select Value Equity Fund, features a value-oriented investment style and is managed by the bank's registered investment advisory subsidiary, Marquette Capital Management Corporation.

The Select Value Fund is not based on active trading, speculative moves or massive market timing. Rather, it is based on fundamental analysis of the value of specific stocks as indicated by the relationship of dividends to average yields, expected dividend growth, P/E values, management strength and other variables. The process is designed to isolate stocks that will provide solid returns over time, according to Marquette Capital Management president **Gregg Hannah**.

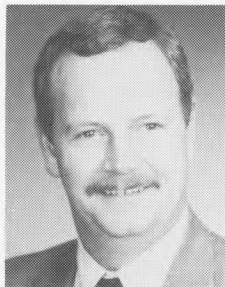
* * *

James R. Campbell, president and CEO of Norwest Bank Minneapolis, will chair the 1987 fundraising drive for Twin Cities Neighborhood Housing Services, Inc. TCNHS is a partnership of residents, business leaders and local government focusing on neighborhood revitalization.

* * *

Robert F. Froehlke, retiring chairman of The Equitable Life Assurance Society of the United States, has been elected president and chief executive officer of the IDS Mutual Fund Group. His election becomes effective July 1 when current president and CEO **E. Robert Kinney** retires.

MINNESOTA NEWS...
(Turn to page 35, please)



R.A. AMUNDSON



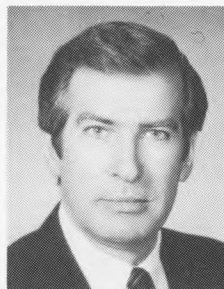
D. KASTNER



D. LEVY



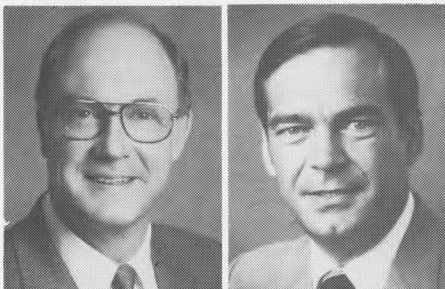
R.L. SCHLICHTHE



A.J. OLSON

Wisconsin

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



total number of banking service locations would rise to 84.

Mr. Mack would be named president and CEO of Valley Bank, Madison and a director of Valley. He would report to Robert C. O'Malley, presently chairman and president of Valley Bank, Madison, who would continue as vice chairman of Valley Bancorporation and chairman of the Badger region.

1st Wisconsin Buys Illinois Bank

FIRST Wisconsin Corporation of Milwaukee will acquire North Shore Bancorp., Inc., a one-bank holding company in Northbrook, Ill., it was announced March 19. This is the third bank acquisition agreement First Wisconsin has reached in Illinois.

First Wisconsin will pay \$6.16 million in cash, or just over twice book value for the Illinois holding company. The North Shore holding company owns the \$42 million Bank of the North Shore. Chartered in 1976, the bank is located at Northbrook Court shopping center, about 20 miles north of downtown Chicago on Lake Cook Road, the boundary between Cook and Lake Counties.

"The Bank of the North Shore represents an excellent extension of our growing presence in Northern Illinois," said First Wisconsin Chairman Hal C. Kuehl. "It is a gem of a bank in a highly desirable market. Both the quality of the bank's management and the demographics of its service area point to strong future growth in assets and earnings." Mr. Kuehl added that the bank's name, directors, management and staff would remain the same. Sherwin Willens is North Shore chairman.

Pending approval of shareholders and bank regulatory authorities, the North Shore acquisition should be completed in the third quarter of 1987. A definitive agreement has been signed by representatives of both companies.

Community Banks Plan Merger with Valley

John F. Mack, chairman and CEO of Community Banks, Inc., and Gus A. Zuehlke, chairman and CEO of Valley Bancorporation, jointly announced on February 17 that the two organizations have entered into

an agreement in principle calling for the merger of Community and Valley. Under the agreement, which has been approved by each organization's board of directors, owners of Community common and preferred stock would receive Valley common stock.

Valley would issue approximately 1,763,000 to 2,130,000 shares of its common stock and pay approximately \$7,486,000 in cash in the transaction. It is subject to negotiation of a definitive agreement and all requisite corporate and regulatory approvals.

Headquartered in Middleton, Community had assets of \$375 million at Dec. 31, 1986. The company owns six banks and has 85% of its assets in banks located in the greater Madison area.

After the proposed transaction is approved, Valley would become the largest banking organization in Madison. Its total assets would also increase to \$2.6 billion. Valley's

First Wis. Corp. Honored

First Wisconsin Corporation has been cited as a national leader in corporate community relations in a study conducted by the Center for Corporate Community Relations at Boston College. Companies in 64 U.S. cities were surveyed. First Wisconsin received multiple votes in areas including executive leadership, employee involvement, contributions, innovative programming and general reputation.

Added in Brown Deer

Marianne Jaehnke has joined Brown Deer Bank as vice president of its retail division, according to bank president Dean A. Treptow.

In her new position, Ms. Jaehnke will determine deposit and loan rates, assist in product development and marketing, and oversee personal banking services, retail lending and retail department personnel.

Prior to joining Brown Deer Bank, Ms. Jaehnke served as manager of personal banking with First Interstate Bank in West Allis.

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Max J. Larson, President.



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

"At First National Bank in Sioux City, we're proud of the productive relationships we've developed with many banks in our area. Through these partnerships, our staff of professional bankers provides our friends with a competitive edge

in their local marketplace with services like loan overlines, investments, credit card services, and data processing.

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Max J. Larson
President

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Bankers Convention!**

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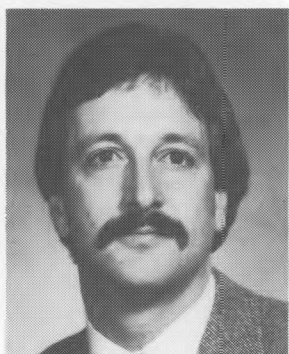
B.M. BRODERICK
President



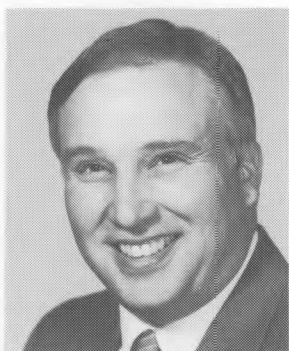
L. NESS
Pres.-Elect



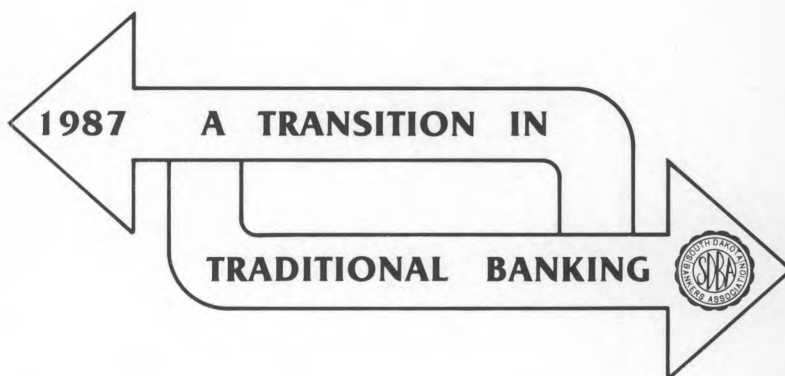
C. SCHIRBER
Vice President



P. CAPPA
Convention Chairman



J.I.M. SCHWARTZ
Exec. Vice Pres.



South Dakota Bankers Association 95th Annual Convention May 10-12, 1987 Howard Johnson's Motor Lodge Rapid City

"A TRANSITION in Traditional Banking" is the theme for the 1987 Convention of the South Dakota Bankers Association. South Dakota bankers will gather on May 10-12 at the Howard Johnson's Motor Lodge in Rapid City.

Presiding over the convention will be President B. Michael Broderick, Jr., who is president of First American Bank in Canton. President-Elect is Larry Ness, president, First Dakota National Bank, Yankton. The association's vice president is Christine Schirber, executive vice president of Dewey County Bank, Isabel. This year's General Convention Chairman is Pete Cappa, vice president, Norwest Bank South Dakota, Rapid City. J.I. Milton Schwartz is the association's executive vice president.

Speakers scheduled include: South Dakota Governor George S. Mickelson, ABC newsman Steve Bell, James Abdnor of the Small Business Administration,

Christian psychologist and author Dr. Kevin Leman, consultant and lecturer Philip D. Steffen, and American Bankers Association Executive Vice President Don Ogilvie.

Sunday night will feature "An International Gala" reception, dinner and dance. Monday afternoon's activities include men's and women's golf tournaments. On Tuesday afternoon a tour will be offered of Ellsworth Air Force Base. Tuesday night's banquet will feature music and comedy by "The Great Pretenders."

The advance program schedule follows:

Sunday, May 10

P.M.

- 4:00 Registration desk & exhibit hall open.
- 6:00 "An International Gala" Reception, Dinner.
- 9:00 All Convention Dance.
- 8:30 Registration desk closes.

STREET JOURNAL

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Tax Re

A Special Summary
Of Federal and
Develop

Stock & Bond Yields



World-Wide

APPROVED defense spend-
ing of \$302.5 billion.
1985 measure would require
to disclose internal cost
calls for stationing 50 MX
and \$2.75 billion in spend-
ing on antimissile weapons.
will cut that total when it
comes to the military budget
item came as the Armed
forces (Page 6)
legislation would es-
tablish the Joint Chiefs
principal military adviser

DIVIDEND YIELDS
Dow Jones Industrial Average
averaged 4.58% comp
10.90% average yield on Barro
grade corporate bonds

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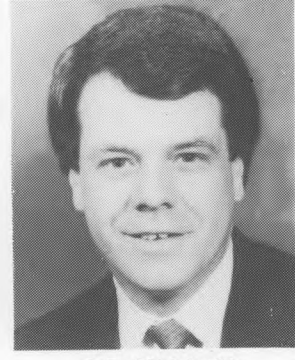
G.S. MICKELSON



S. BELL



K. LEMAN



P.D. STEFFEN

Monday, May 11

A.M.

- 8:30 Registration desk & exhibit hall open.
- 9:30 General session opens.
The Honorable George S. Mickelson, Governor of South Dakota.
"National Update"—Steve Bell, News correspondent and former anchor man, ABC's "Good Morning America."
"SBA News"—The Honorable James Abdnor, administrator, Small Business Administration, Washington, D.C.
Election of SDBA Officers.

P.M.

- 12:30 General session adjourns.
Men's golf tournament, (Tee-off times assigned), Arrowhead Country Club.
- 1:00 Exhibit hall closes.
- 1:30 "The Magic of Your Image"—Barby Fairbanks Eide, Austin, Tex.
- 2:00 Ladies' golf tournament, (Tee-off times assigned), Meadowbrook Golf Course.
- 3:00 Registration desk closes.

Tuesday, May 12

A.M.

- 7:30 Fellowship Breakfast: "Why You Are the Way You Are"—Dr. Kevin Leman, psychologist, Tuscan, Ariz.
- 8:30 Registration desk & exhibit hall open.
- 9:30 General session opens.
"Professional Excellence Through Management and Leadership"—Philip D. Steffen, CSP, Philip D. Steffen & Associates, Marietta, Ga.
Don Ogilvie, e.v.p., American Bankers Association, Washington, D.C.

P.M.

- 12:30 General session adjourns.
Past Presidents' All Convention Luncheon.
- 1:00 Exhibit hall closes.
- 3:00 Registration desk closes.
- 5:00 Registration desk opens.
- 6:00 Associates'-Sponsored President's Reception.
- 7:00 Registration desk closes.
Annual Banquet.
- 8:30 "The Great Pretenders."
- 10:00 Convention adjourns. ☐

You Will See Them at the 95th Annual South Dakota Bankers Convention

THE following metropolitan bankers and service and equipment dealers have indicated that they will be attending the annual convention of the South Dakota Bankers Association in Rapid City, May 10-12:

Minneapolis/St. Paul

American National Bank: Donald R. Lindeman and James A. Russell.

Marquette Bank: Jim Kammerer, vice president; Dick Holmes, assistant vice president.

Norwest Bank Minneapolis: John Sampson, senior vice president; Bob Rasmussen, vice president; Marlene Wright, sales representative, Norwest Technology Services; Clifford A. "Ted" Taney, vice president, Norwest Investment Services, Inc.; Roger D. Smith, assistant vice president, Norwest Leasing; Darryl Han-

sen, president, Norwest Card Services.

Sioux City

First National Bank of Sioux City: Gary Stevenson, vice president.

Security National Bank: R.E. Hagen, president & CEO; Michael D. Moreland, vice president/investments; Ron E. Kiel, correspondent banking officer; Wilma C. Weeks, correspondent services officer.

Sioux Falls

Norwest Bank South Dakota: Don Hooper, vice president; Peter Cappa, vice president.

Banking Equipment & Other Firms
Central States Health & Life: John Owens, Wyoming regional manager.

Modern Banking Systems, Inc.: Mike Reynolds, regional manager; Kevin McCormick, senior sales repre-

sentative.

North Central Companies: Russ Eng, regional manager; Dennis Zea, regional manager.

Named in Chamberlain

Norwest Bank South Dakota, N.A., has announced that Jeff Gruntmeir has been named ag banking officer at Chamberlain.

Mr. Gruntmeir joined Norwest in 1983, in 1984 was named ag banking officer in Mitchell, and in 1986 was named credit officer in Sioux Falls.

Correction

In the chart of South Dakota's largest banks that appeared on page 31 of the March NORTHWESTERN BANKER, the name of First Fidelity Bank of Burke should have appeared as the 15th largest bank. First Fidelity at 1986 year-end had \$75,559,000 in deposits and \$34,335,000 in net loans. The editor regrets this oversight.

Pres. Named in Canton

At Farmers State Bank, Canton, George Hanson has resigned as president. He will remain as a director of the bank. Bruce D. Anderson was named as his successor. He has 16 years banking experience.

Two new directors were also added to the bank. They are Kirk E. Dean, president of Norwest Bank, Rapid City, and Stephen A. Sahly, vice president of credit administration at Norwest Bank, Sioux Falls.

Promoted in Sioux Falls

Vicki Ripley has been promoted to vice president, student loans at Norwest Bank South Dakota, Sioux Falls. She joined Norwest in 1979 and has served there in various capacities, most recently as assistant vice president, student loan manager, which position she has held since 1985.

Dacotah Declares Stock Dividend

Rodney Fouberg, chairman of the board, has announced that the board of directors of Dacotah Bank Holding Co., in its Feb. 17 meeting, declared a 2% stock dividend in lieu of its semi-annual cash dividend. The stock dividend was paid on March 23 to shareholders of record on March 3. Fractional shares were paid in cash based upon \$12 per full share.

Retired in Fulton

Fulton State Bank, Fulton, has announced the retirement of George O'Neill. He has been with the bank for 38 years in a variety of offices, including director. He will continue in that capacity and also serve the bank as a consultant. The bank held an open house in Mr. O'Neill's honor Feb. 11-13.

State Banks Report Issued

The Division of Banking and Finance of South Dakota has released its abstract on the condition of state banks as of Dec. 31, 1986. 111 banks reported. Loans and leases came to \$1,535,570,000; total deposits were \$2,952,774,000; capital accounts were \$293,889,000. The ratio of capital accounts to deposits was 9.95% and that of total loans to total deposits was 52.0%.

MINNESOTA NEWS...

(Continued from page 28)

Changes Told in Winona

At Merchants National Bank, Winona, K.A. Poblocki has been promoted from vice president and cashier to senior vice president and cashier. His duties include supervision of all operational departments of the bank. Mr. Poblocki has been with Merchants National since 1946.

Kerry Anderson, assistant cashier and manager of the installment loan department, was promoted to assistant vice president. He will continue to manage installment loans. Mr. Anderson joined the bank in 1985.

In addition, Peter Woodworth, president of Winona Knitting Mills, Inc., was elected to the board of directors.

Added in Maplewood

Alan Emory has joined Western Bank and Insurance Agency as vice president, manager of the McCarron's Lake office in Maplewood. His previous position, which he held since 1981, was as deputy director for neighborhood development for the St. Paul Department of Planning and Economic Development.

Elected in Maple Grove

Debra I. Mickelson has been elected consumer banking officer at

Norwest Bank Maple Grove, N.A. She joined the bank in 1977, and has held positions in teller operations, personal banking, and currently in consumer lending.

Added in Richfield

Richfield Bank & Trust Co., Richfield, has announced that Lori Gerval has joined the bank as director of marketing. She began her banking career in 1980 at Norwest Bank Bloomington, and held various positions in marketing and consumer sales.



L. GERVAL

Most recently, Ms. Gerval worked as consumer products specialist in Norwest Alliance System, Inc.

MBA Holds Bank Operations School

The first session of the Minnesota Bankers Association Bank Operations School was completed Feb. 23-27 at the Radisson Arrowwood in Alexandria.

"The response has been overwhelming and our first session was a definite success," said BOS Administrator Wayne Berthiaume, who is also MBA administrative vice president.

Chanhassen Bank Opens New Building



THE Chanhassen Bank, Chanhassen, recently held a grand opening celebration for its new 10,000 sq. ft. facility. The new building features six drive-in lanes, a drive-up ATM and expanded customer service and office facilities. The structure was designed by Hickey, Thorstenson, Grover, Ltd., Architects of Edina, and includes a 26 ft. ceiling in the main lobby. Area growth around Chanhassen dictated the need for a new building. The extra design work was called for by the bank's commitment to support this growth and a current effort by the city to redevelop downtown Chanhassen.

North Dakota

H. Huber, pres., Hazen
H.J. Argue, exec. dir., Bismarck



NDBA Offers Marketing Conference

THE North Dakota Bankers Association 1987 Marketing Conference will be held May 6-7 at the Sheridan Galleria, Bismarck.

The year's conference targets the ever-changing role of bank marketing. Addressing this topic will be Joe Brunner, president of the Minnesota Bank Marketing Association Chapter. Jack Hubbard of Von Almen and Associates in Roselle, Ill. will speak on the subject of competition with non-bank banks.

The May 7 session includes two full programs: marketing/advertising for the community bank, and sales culture. Speakers will be Don Uker and Jack Hubbard, respectively.

The conference will conclude with a presentation by Norwood "Red" Pope of Valley National Bank of Arizona, Phoenix, entitled "Mickey Mouse Marketing in a Buck Rogers World."

The complete program follows:

Wednesday, May 6

- P.M.**
12:00 Registration, lunch on your own.
1:00 "The Changing Role of Bank Marketing"—Joe Brunner, s.v.p./dir. mktg., American National Bank, St. Paul, Minn., and Bank Marketing Association pres., Minneapolis Chapter.
1:45 ABA Consumer Research Survey—Al Paro, ABA dir., member communications, Washington, D.C.
2:15 Break.
2:30 "Competing Against the Non-Bank Bank"—Jack Hubbard, s.v.p., Von Almen and Assoc., Roselle, Ill.
4:00 Break.
4:15 Idea Exchange.
5:00 Reception.

Thursday, May 7

- A.M.**
7:30 Continental breakfast.

- 8:30 Session.
10:00 Break.
10:15 Session.
Choose either:
"Marketing/Advertising for the Community Bank"—Don Uker, Don Uker and Co., Denison, Ia.; or
"Sales Culture—Building, Managing, and Incentives"—Jack Hubbard, v.p., Von Almen & Associates, Roselle, Ill.

P.M.

- 12:00 Luncheon.
1:00 "Mickey Mouse Marketing in a Buck Rogers World"—Norwood "Red" Pope, s.v.p./mktg., Valley National Bank, Phoenix, Ariz.
2:30 Adjourn.

Elected in Bismarck

Donald W. Green, president of First Bank Bismarck, has announced the election of Warren L. Hintz as vice president/lending officer. Mr. Hintz began his career with First Bank Minot in 1965. Most recently he served as senior vice president and senior credit officer at First Bank Jamestown.



W.L. HINTZ

Farm Credit Services, most recently as regional vice president.

Abstract Report Released

The Office of the State Examiner has released its Abstract Report of State and National Banks in Wyoming for year-end 1986.

Net loans at state banks was \$950,022,000, and at national banks was \$995,447,000, for a total of \$1,945,469,000. Total deposits was \$1,913,976,000 for state banks, \$1,998,300,000 for national banks, and \$3,912,276,000 combined. The loan to deposit ratio was 49.7%.

Total equity capital at state banks was \$184,909,000, at national banks was \$2,232,883,000, and combined was \$4,383,179,000. 67 state banks and 39 national banks reported.

Wyoming

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



Changes Announced in Casper

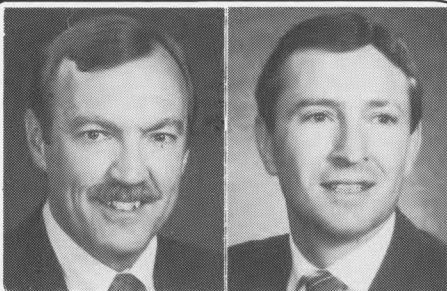
First Interstate Bank of Casper has announced the promotion of Christopher M. Tice to assistant vice president and Polly R. Earl to credit adjustment officer, and the election of Ronald E. Wright to agribusiness officer in the commercial

loan department.

Mr. Tice has worked for the bank two and a half years, and was a loan review analyst prior to his promotion. Ms. Earl, formerly a foreclosure specialist, joined the bank last May. Mr. Wright previously was employed for nine years at

Colorado

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



promoted to security operation officer.

CNB Promotes Six

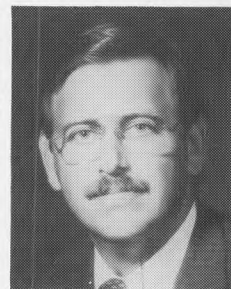
Six staff changes have been announced by Colorado National Bank of Denver.

Promoted to vice presidents were Ronald G. Wendel, Charlotte Miller and George Adams. Mr. Wendel works in the institutional services division where he is responsible for management of retirement plan services, corporate trust, custodian services and new business. Ms. Miller currently serves as director of products and planning. Mr. Adams works in commercial banking and is responsible for the middle market commercial lending portfolio.

Named officers were Lucy Fiske Carson, Robert E. Prince and Douglas J. Arnot. Ms. Carson works in special assets and is responsible for work-out loans and collections. Mr. Prince serves as the division manager for bank security and safety. Mr. Arnot is a security analyst in the financial services funds management area.

Named in Denver

Thomas B. Walker has been elected chief financial officer of Central Bancorporation, Inc., Denver. Mr. Walker has 13 years banking experience and will be responsible for all finance, accounting and treasury operations for the corporation. Most recently he served as chief financial and administrative officer for National Bank of Georgia in Atlanta, Ga.



T.B. WALKER

Elected in Denver

John Nicoll has been elected senior vice president and corporate counsel of Colorado National Bankshares, Inc., Denver. He was most recently associate regulatory Counsel to the NPC Financial Corporation, a major bank holding company in Pennsylvania. His legal career spans 26 years.

COLORADO NEWS...

(Turn to page 42, please)

United Bank Promotes Ten

Ten promotions have been announced by the United Bank of Denver.

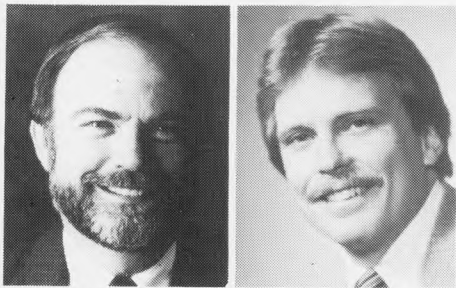
William J. Maurer has been named vice president in real estate banking. Peter J. Young was named vice president in cash management. Also named v.p., Allan R. Haworth works in the merchant banking group. Vice president Nancy L. Derr is manager of the compliance department. Manager of commercial loan support, Mari J. Beck was also named vice president.

Named assistant vice presidents were Georgianne S. Brummett, correspondent banking; Andrew C. Hamrick, secured lending and leasing, and Douglas R. Woods, commercial collections, loan administration.

In addition, Clayton A. Durkee Jr. has been promoted to asset management officer and William E. Mowery to commercial banking officer in loan administration's commercial collections area.

Central Bank Announces Promotions

Central Bank of Denver has named William C. Tumelty, Jr. to division head of correspondent banking administration. He previously served as vice president, correspondent banking. He joined the bank in 1972.



W.C. TUMELTY, JR. R.H. McELROY

Mr. Tumelty is succeeded by Richard H. McElroy, who began his

career with the bank in 1978. His prior position was as assistant vice president of correspondent banking.

Philip C. Lyon has been promoted to retail banking division head. He was previously assistant division head and vice president of retail banking, and joined Central Bank in 1973.

Promoted to automated delivery systems department manager is Patricia J. Wyperd. She was most recently a retail banking officer.



G. REKER

D. SIIRA

Gwendolyn A. Reker and Diane C. Siira have been promoted to vice presidents. Ms. Reker joined the bank in 1980 and most recently served as assistant vice president in the regional banking department. Ms. Siira has been with Central Bank since 1960, most recently as assistant vice president in commercial banking.



M. BAUER

T.L. JOHNSON

In addition, Mel Bauer was advanced to retail banking officer in the retail banking support department, Terry L. Johnson was promoted to commercial loan representative, and Jami L. Tschanz was



Look What We're Up To.

In the banking business, you measure success any number of ways. But no matter how you figure it, we set records in total assets. Earnings. Trust Department performance. Years in business. Number of customers.

We're proud of our solid growth. And proud to serve you — and assure you — with our strength, financial expertise and experience.

Few institutions offer you what we can in performance and stability. We're one of the few banks in the area that has never had to change its name. We're a vital part of Omaha — governed by people who live and work here.

After 124 years of business, we're still growing strong. That's why we're proud of our name.

No Wonder They Call Us First.



**first national bank
of omaha**

Member FDIC

Nebraska

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



Bergmeyer Heads NBA Nominations

THE NBA Nominating Committee, chaired by Past President Mel Adams, has nominated Harley D. Bergmeyer, president of Saline State Bank, Wilber, for the position of NBA President-Elect for 1987-88. His name topped the slate of candidates submitted to the NBA Executive Council at its meeting March 19 in Kearney.

Bankers nominated to fill upcoming vacancies on the Executive Council are as follows: Group 1—Frank Bruning, president of Bruning State Bank; Group 2—John Peck, president of First National Bank & Trust, Columbus; Group 3—Jeffrey Gerhart, executive vice president, First National Bank of Newman Grove; Group 5—Bill McQuilgan, executive vice president, City National Bank of Greeley; Group 6—Frank Tolstedt, president of Guardian State Bank & Trust, Alliance; Group 7—Charles Undlin, president of Norwest Bank Nebraska, Omaha; Group 7—Gerald Karlin, president of Southwest Bank & Trust, Omaha; Group 8—Tom Henning, president of National Bank of Commerce, Lincoln.

The slate of candidates was unanimously approved by the Executive Council, to be submitted to the membership for election during the 1987 annual meeting in Lincoln on May 15. On that occasion, President-Elect Donald Blaha, president, First National Bank, Ord, will also take office, succeeding C.G. "Kelly" Holthus, president and CEO, First National Bank of York.

Mr. Blaha has announced the following bankers have agreed to chair the five standing committees for the coming year: Mike Dusenbery (Pickrell State Bank)—Bank Management Committee; Frank Bruning (Bruning State Bank)—Bank Marketing Committee; John Munn (First National Bank of York)—Gov-

ernment Relations Committee; Phil Burns (Farmers and Merchants National Bank, West Point)—Lending Committee; Jim Mastera (Cornhusker Bank, Lincoln)—BankPAC Committee.

In addition, President-Elect Blaha announced the continuation of the NBA Task Force on Economic Development, which will continue to be chaired by 1986-87 NBA President Kelly Holthus.

Promoted in Grand Island

William Dewhurst has been promoted to president and managing officer of Norwest Bank Nebraska, N.A., Grand Island. He succeeds Norman Nackrud, who is retiring.

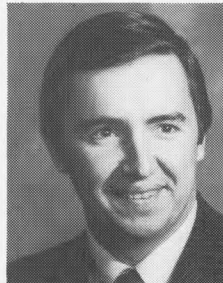
Mr. Dewhurst joined Norwest in 1979 and most recently served as vice president and manager of the financial institutions group in Omaha. Mr. Nackrud has been with the Norwest Corporation for 37 and a half years.



W. DEWHURST

Elected in Norfolk

The board of directors of the Bank of Norfolk has elected James Herbolsheimer to the position of president. He has been affiliated with the Bank of Norfolk since 1972, most recently as executive vice president, which position he has held since 1975. Earlier this year he was elected to the bank's board of directors.



J. HERBOLSHEIMER

Changes Told in Kearney

Wayne R. McKinney has given up his duties as chief executive officer of Platte Valley State Bank and Trust Co., Kearney. He will continue to work full time at the bank as chairman and trust officer. Don Kearney, who was named president last fall, will assume the position of CEO.

Keith Stafford has been named to head the bank's farm loan department, replacing Keith A. King, who has relinquished those duties for health reasons. Mr. King will continue to work in the ag department and as a director.

Kearney State College President William Nester has been elected to the bank's board of directors.

Promoted in Cook

Three promotions have been announced at the Farmers Bank of Cook. Aldine Rowe has been elected cashier, Judy K. Brinkman has been promoted to vice president, and Charles Bevard was advanced to vice president and controller. Mrs. Rowe was previously assistant cashier, while Mr. Bevard and Mrs. Brinkman were assistant vice presidents.

The Farmers Bank of Cook recently held an open house and ribbon cutting ceremony for its new facility. The renovation includes a remodeling lobby, additional office space and a new computer system.

Promoted in Fullerton

Recent promotions at the First National Bank and Trust, Fullerton, were Larry K. Rogers to president, Ginette Small to assistant vice president, Lureen Morgan to assistant vice president, Donna K. Hellbusch to assistant vice president and Kathy Evers to assistant cashier.

Elected in O'Neill

The O'Neill National Bank, O'Neill, recently elected Stan Darling and Rick Hammer to vice presidents. Cindy Cole was elected cashier. Mr. Darling has been with the bank since 1983. Mr. Hammer joined O'Neill National in 1984 and will continue to serve as branch manager of the Page branch. Ms. Cole joined the bank in 1975.



Omaha

William C. Smith, president of FirsTier, Inc., Omaha, will assume the duties of chief executive officer. **Charles W. Durham** will remain chairman of the board of the corporation and chairman of the executive committee.

Mr. Durham has served as chairman and interim chief executive officer of FirsTier, Inc. since the resignation of **John D. Woods** from those positions last November. Mr. Smith will continue as president and chief executive officer of



W.C. SMITH

FirsTier Bank Omaha and FirsTier Bank Lincoln. He was named to hold those responsibilities in April, 1986.

* * *

Glenn R. Wilson, president and chief executive officer of FirsTier Mortgage Co., has announced that **Paul B. Donoghue** has joined the organization as vice president of secondary marketing. Mr. Donoghue was a vice president in the secondary marketing division of the Lincoln Ser-



P.B. DONOGHUE

vices Corporation of Owensboro, Ky.

Irene Hardisty has been promoted to vice president and director of correspondent lending in Omaha. She joined FirsTier in 1985 as branch manager of the Des Moines office.

Promoted to assistant vice presidents were: **Lori D. Carney**, assistant director, correspondent lending; **Robert D. Chalupa**, commercial loan originator; **Robert P. Gondring**, director, mortgage loan underwriting; **Charles R. McDaniel**, director, construction lending and property management, and **Annette M. Wiltgen**, assistant director, marketing.

* * *

Packers Bank and Trust Company honored **Laddie J. Kozeny** at a surprise open house on February 26. Mr. Kozeny was celebrating both his 80th birthday and his 64 years of service with the bank. He is currently chairman emeritus of the bank's advisory board.

* * *

FirsTier, Inc. has announced that **John G. Bookout**, president of Woodmen of the World Life Insurance Society, and **Donald A. Bliss**, vice president of regulatory and external affairs and COO in Nebraska for Northwestern Bell Telephone Company, have been elected to the board of directors of FirsTier Bank Omaha.

Added in McCook

Robert Schardt has joined McCook National Bank as vice president. He previously served at Northwest Bank in Hastings as assistant vice president in agricultural lending.

Advanced in West Point

Layne Sander has been advanced to vice president and agriculture representative of the First National Bank of West Point.

Pierce Corp. Stock Purchased

A group of investors has purchased the stock of the Pierce Corporation, the holding company that owns Cones State Bank in Pierce. The new owners include **Tim Brennan**, **Dr. Michael J. Morrison**, **Robert E. Meyers**, **Steven G. Sheppard**, **P.J. Morgan**, **Brad Merchant**,

James C. Hupp, **Timothy J. McReynolds**, **John J. Rickett**, **Kenneth T. Nordlund**, and **James I. Black**, the bank's president. Mr. Black and Mr. Nordlund have been investors in the Pierce Corporation since it was founded 18 years ago.

Named in Ogallala

Doug Barnell has been named an assistant vice president at the First National Bank in Ogallala. He has been agricultural loan officer since 1984 and will also continue in that capacity.

NBA Ads Recognized

The Advertising Federation of Lincoln recently recognized two of the newspaper ads which have been developed by the Nebraska Bankers Association as part of the current year's advertising program.

A gold award in the category of farm publication was awarded for the NBA's "prenotification" ad which explained the problems which would be created under the direct notification alternative to central filing for liens on agricultural products. A silver award was given to the NBA's newspaper ad which explained how interest rates are set.

The awards were presented to **Bailey Lewis & Associates**, the advertising agency which has handled the NBA's advertising program for the past eight years.

Scottsbluff Banks Plan to Merge

Scottsbluff National Bank and Trust Co. and Western National Bank of Scottsbluff have requested permission to merge.



LEFT—Participating in this year's Ag Outlook Conference were, from left: **Stan Matzke**, exec. v.p., NBA, Lincoln; **Neal Harlan**, pres., & c.e.o., Scouler Grain Co., Omaha, and **Carol Brookins**, pres., & c.e.o., World Perspectives, Inc., Washington, D.C. **RIGHT**—**David Hay**, pres., First Natl., Belden and member of the NBA Lending Committee introduced, right, **Dr. James G. Kendrick**, ag prof., Univ. of Nebr., Lincoln.

Ag Outlook Conference

Bankers Meet in Kearney

By **ROBERT CRONIN**
Associate Publisher

THE Nebraska Bankers Association held its annual Ag Outlook Conference in Kearney last month among speculation that the "big agricultural picture" is indeed getting better. The one and one-half day conference included presentations on the future of agriculture, the grain and livestock outlook, the trade picture and lending analysis.

Many ag bankers question the future of agriculture. Addressing this important issue was key-note speaker Carol Brookins, president of World Perspectives, Inc., a Washington, D.C.-based news analysis service with daily and monthly reports on world developments. The most important point Ms. Brookins made was "Agriculture is integrated into the world economy and is continuously evolving, influenced by its own fundamentals and developments in the macro-economy." In other words, economics will always win out over political policies regarding agriculture.

Ms. Brookins did say there is no future for America's agriculture growth without export expansions. "We need to 'stay the course' and permit low market prices to continue, so the rest of the world restructures its asset base in agriculture, just as we have been forced to do," she explained. "There is a definite need to rebuild our agricultural policy on a solid foundation based

on real economy, rather than historic myths."

In conclusion, Ms. Brookins pointed out that there will be fewer farmers in the years ahead but stronger farm operators. She also said, "U.S. farmers will have to throw out their old focus on price and think about volume; it means we have to stop concentrating our policies on supply concerns and focus on building demand." She concluded, "Our agricultural producers will have to look at returns rather than gross income to determine their relative success."

Neil Harlan, president and CEO for Scouler Grain Company in Omaha, which operates fifty grain elevators west of the Mississippi River, said the grain market is "as exciting as watching paint dry, but it is an exciting period in agriculture." Although somewhat new, the PIK and Roll program "works great" according to Mr. Harlan, who said, "This is one of the most imaginative programs, but only a small percentage of farmers have taken advantage of it."

Mr. Harlan said the grain storage outlook for 1987 will be critical, but he discouraged the building of additional storage units because he foresees a time when grain storage will not be a problem. Mr. Harlan pointed out three positive signs in agricultural finance: 1. Farmers made over \$45 billion last year—their best ever. 2. Land values have stabilized in most areas and are up

in some parts, and 3. Ag debt is off by 10%. "There is cash on the market to buy land, buy building supplies and pay off debt," Mr. Harlan concluded.

Gary Duncan, president and CEO of Hastings Pork, the 6th largest in the country, called the cattle outlook "optimistic for the next twelve months." He attributes this to tightened supplies and weight decline on finish cattle. Mr. Duncan's outlook for May-July cattle is \$64-67. He did caution "high beef prices don't necessarily mean high profits in all cases. The good operators, who are efficient, will make a profit, even at lower prices," he said.

Of course, the consumer plays an important role in determining consumption, he said, and there is a noted shrinkage of per-capita consumption in the red meat industry. Mr. Duncan commented, "Fat, not so much red meat, is what the consumer is most concerned about." This, in part, is why the pork industry has a new slogan - "Pork—The Other White Meat."

The 1986 hog picture was "fantastic" according to Mr. Duncan. He said because of the good year he was able to pay down his debt and become "leaner and meaner." His outlook for 1987 is "cautiously optimistic," and added that to be a livestock producer, you must be optimistic. The poultry industry experienced a 7% growth in 1986, but Mr. Duncan sees that particular market flattening out in late summer to early fall.

Dr. David Kohl, professor of agriculture finance at Virginia Tech in Blacksburg, Va., addressed the



LEFT—Gary Duncan, pres., Hasting Pork says the 1987 hog outlook is "cautiously optimistic." **RIGHT—Dr. David Kohl**, prof. of ag. fin., Virginia Tech., Blacksburg, Va., expresses his views on agricultural lending in the 21st century.

topic of ag lending in the 21st Century. In his presentation, Dr. Kohl gave an overview of the ag finance picture. Here, he said, "We are definitely in an ag transition, but I do see a stabilization in the industry." Dr. Kohl said interest rates are coming down, but not fast enough, and this is generally associated with the high risk in agriculture.

For the future of agriculture, Dr. Kohl sees a decline in the family farm. "The family farm will either grow to mega-farm status or will adapt to a small, part-time farm status," he said. "The mega-farmers will be wholistic managers, heavy on

finance and marketing, utilizing biotechnology, and will be bottom line producers." On the other hand, part-time farmers, according to Dr. Kohl, will farm to supplement income and/or maximize lifestyles.

To conclude the conference, Dr. James Kendrick, professor of agriculture, University of Nebraska, Lincoln, said, "We are no longer the only store in town. Nations that once relied upon the U.S. for imported food are now becoming self-sufficient." In looking ahead into the late 1980s and early 1990s, Dr. Kendrick sees \$1.40-1.50 corn, but this will depend on our production

levels "which must be cut back to those of the 1960s," he said. He envisions hog prices in the \$30 range and cattle at \$51-52.

In conclusion, Dr. Kendrick encouraged bankers to become lean and mean and to offer customers "one-stop management services." "Farmers want more than just money. If that's all they needed they could go to Chicago and borrow," he said. "Bankers must give the customer service and products to keep the farmer's business." The future, Mr. Kendrick said, will be in selling service and the marketing of these services. □

Correction!

The First State Bank in Scottsbluff was omitted from the "Largest Banks in Nebraska" chart published on page 41 of the March issue. At 1986 year-end, First State Bank had deposits of \$66,160,000 and net loans of \$25,266,000, making it the 29th largest bank in Nebraska.

At 1985 year-end, First State Bank of Scottsbluff reported deposits of \$41,998,000. When the nearby Bank of Gering failed last October 23, First State Bank purchased it from the FDIC and assumed Bank of Gering's \$25 million deposits and reopened it October 31 as First State Bank-Gering.

In addition, Ralston Bank was omitted from this "Largest Banks in Nebraska" list. At 1986 year-end, Ralston Bank had deposits of \$61,292,000 and net loans of \$41,344,000, making it the 36th largest bank in Nebraska.

Deposits at 1985 year-end were \$57,353,000 and net loans were \$40,

248,000.

We regret these two omissions from this important list.

Norwest's Murphy Retires

Don Murphy has retired as a director of Norwest Bank Nebraska, N.A., having been associated with the company for 46 years.

Mr. Murphy started with the organization in 1940, earning \$60 a month at the Farmers State Bank of Osseo, Minnesota (now Norwest Bank Maple Grove). He became the bank's managing officer in 1952, then moved to Norwest's corporate office in 1956 as vice president and bank relations officer.

In 1963 he joined Stockyards National Bank of Omaha—now a branch of Norwest Bank Nebraska—where he became president and managing officer in 1965. In 1975 Mr. Murphy was named president and a director of United States National Bank of Omaha. He retired as chairman of the bank in 1983 and continued as a director until 1986.

COLORADO NEWS...

(Continued from page 37)

Appointed in Englewood

First Interstate Bank of Englewood, N.A. has appointed Paul J. Gardner as vice president of personal financial services. Jeanette Clopton has been appointed assistant vice president of retail banking. She has been with the bank for over 20 years. Susan Franey has been appointed assistant vice president in commercial loans. She was previously with First Interstate Bank of Denver as a commercial loan officer.

United Banks Provide ATMs for Blind

United Bank's of Colorado's MINIBANK automatic teller machines have now been equipped for use by blind customers. The machines have brailled instructions which give step-by-step directions for how to perform various transactions.

● ABA INTERVIEW. . .

(Continued from page 23)

● **Mr. Kuchar:** I can speak for our own bank because I've certainly gotten tremendous insights into what ABA's capable of doing within these past two or three years. Sometimes, we as community bankers in rural areas see ABA as a facility, as an organization, rather than as a tool and that's not the right approach, because they *are* a tremendous tool in relation to all the documented information that they have. If we have to speak to a local community group, or we have something coming up where we have to know the subject very well, we can call the ABA and they'll get the information ready for us and send us some good data that we can use. That's real important in terms of our credibility.

● **Mr. Schurtz:** I think this conference is a perfect example. This conference and all its workshops are designed for banks under \$300 million. Plus, the fact that they've been extremely responsive to the changing

● **"ABA is a tremendous tool in relation to all the documented information it has. . .that's real important in terms of our credibility."**

—Jim Kuchar, North Dakota

● needs of the community bank. An example of that is Al Tubbs' study and report on "Transitions in Agriculture," which was very profound, very helpful, very timely. These things may not be of interest to banks in New York, but they're of great interest and helpful to us.

● **Ms. Orullian:** Two big things come to my mind immediately. First is the captive insurance company. Large banks are not going to use it like the small ones, so it definitely aids community banks. Second is the interest in the legislative issues. ABA brings them to the level of the community banker and helps us understand what's out there in front of us, how we can be supportive, the ways to participate in the whole process. That's been very, very helpful and it certainly should help get the job done for the industry.

● **Mr. Kuchar:** I think with the management intensity that we have to put into our own shops right now, it's hard for us to keep up on the things that are happening outside and LaRae touched on it—keeping us updated on the legislative process and having contact people at the ABA so that we can get to our own state's legislators and give them good, basic, solid information. That's tremendously important.

● *Bank Tax Trak* (an ABA software system) is another good example. Some of us were privileged to get the module of this before it was actually put out to the association members. I sent it to two of our state's leading accounting firms and they were both quite impressed with it in the sense that for their purposes in serving our banks it was kind of a "quick fix" to the process. It's a bank tax monitoring procedure something like Tax Planning. You can use it in the Tax Planning Process. It runs on a personal computer. Of course, *Laser Pro* was another one. (A loan documentation system utilizing a laser printer to produce free-

form documents.) When we in small banks talk about the cost of compliance, that's tremendously expensive. So, if we can get our equipment and our data reference in place, it's going to save us a lot of problems when we're examined, and save us a lot of problems when we have a consumer who seems to think he or she has been treated unjustly in regards to Reg B or Reg Z or any of the consumer regs that are in place.

Mr. Moore: I'd like to go back to elaborate a little bit on what LaRae said on the legislative issue. I have to be quite frank in saying I don't think a lot of the community banks see that as a benefit, but I think that's where, hopefully, this Community Council group and the advisory board can somehow get the message through to these people that ABA *is* a facility for the legislative process. We've seen nothing in four years and I think everybody is discouraged. It takes the small community banker in a concentrated effort to get his voice heard out there and, hopefully, we can start to do a little better job. That, I think, would outweigh all these other things that we've talked about, but the perception has to be turned around.

Mr. Kuchar: A good example of that was the withholding at source episode. Look at the jobs the financial institutions have done in relation to making the public aware of what *could* happen and how that affected our Congress. Sometimes, we think the ABA should be doing our job for us and we shouldn't be working directly with our legislative people. That's not right because the legislative people are going to be listening to the constituents and the people at home, not the national associations, so to speak. They don't want to listen to them. I'm sure they do to a certain degree, but if I call my Congressman and give him my own opinion on how I feel about certain legislation, he's going to listen to me. And, it's a two-way street. When he needs information, he should be able to come back to us and freely ask for that information.

● **"...the interest in the legislative issues. ABA brings them to the level of the community banker and helps us understand what's out there in front of us."**

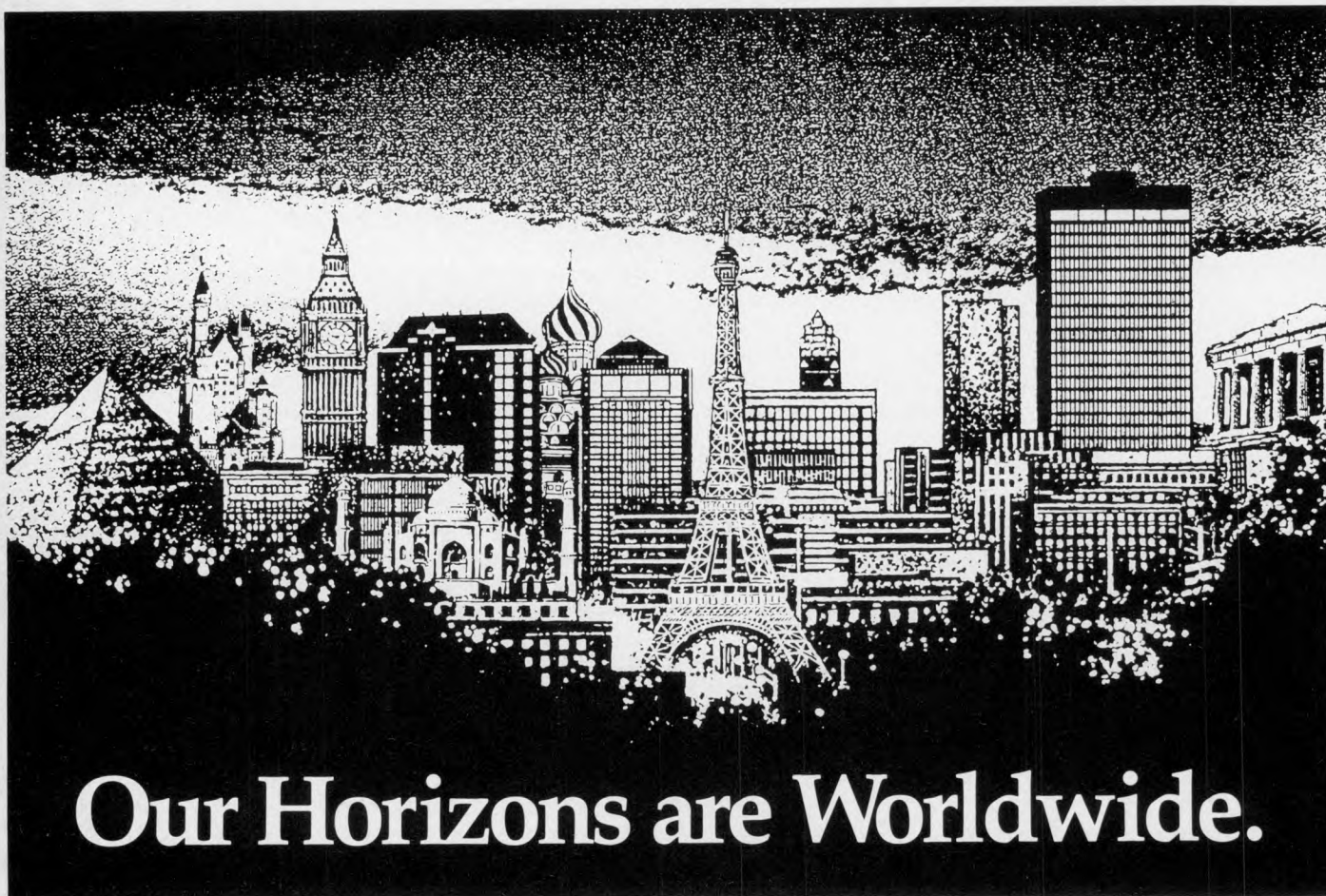
—LaRae Orullian, Colorado

Ms. Orullian: One thing I always enjoyed was the publication, *The Insider*. We get a million things across our desk but when I get that one I read it before I pass it on to the "read in the future" file. (*The Insider* goes only to members of the Community Bankers advisory board and alumni.)

Mr. Holthus: About 12,000 of our more than 14,000 banks in this nation are community banks. There's a lot of clout there if we can ever get it organized!

Mr. Kuchar: Things have changed so significantly from seven to eight years ago when we were so complacent because everything fell into place according to a neat little pattern. But we now have so many other players in the market—Sears, Merrill Lynch, Dreyfuss and many others are in the business of banking anymore. I think we're going to have to stand up and be counted in terms of where we should be in that overall structure.

(To be continued next month).



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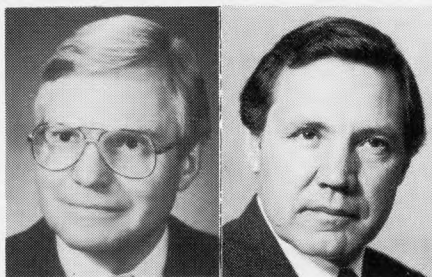
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Improved Attendance and Attitude Noted at Iowa Ag Credit Conference

By BEN HALLER, JR.
Publisher

“WHAT a difference a year makes” could well be the theme for the 1987 Ag Credit Conference hosted on the Iowa State University campus at Ames last month by the Agriculture Committee of the Iowa Bankers Association. It was a real “Triple AAA” meeting because:

- Attendance of 390 was up 15% over the meeting one year ago;
- Aggressiveness in dealing with the competition and opportunities typified the program, and
- Attitudes of banker registrants definitely were upbeat—a distinct turnaround from a year earlier. A number of them reported increased interest in and actual land sales above 4th quarter '86 farm land prices.

IBA Ag Committee Chairman Leslie Miller, assistant vice president and ag loan officer at Davis County Savings Bank in Bloomfield and her committee of 19 bankers assembled a two-day program that was right on target for the needs of ag bankers today.

Chapter 12 Seminar

The first general session Monday

afternoon began with a two-hour session titled “Is Chapter 12 Working?” conducted by Richard Stageman and Tom Flynn, two prominent Des Moines attorneys nationally recognized for their professional knowledge of bankruptcy proceedings. Judge Stageman retired last fall as U.S. Bankruptcy Judge for southern Iowa and now is counsel regarding bankruptcy for Davis, Hockenberry, Wine, Brown, Koehn & Shors law firm. Mr. Flynn is a partner in the Wimer, Hudson, Flynn and Neugent firm.

Judge Stageman reviewed numerous details of the Chapter 12 Law, pointing out the many pitfalls in it, but also stressing the things that lenders can do “to turn events to their favor” in a Chapter 12. He noted that “40% of farm debt today is uncollateralized—about \$20 billion—and practically all of it is held by farmers who qualify for 12. That’s spooky!” Judge Stageman said the Congress tried to fashion Chapter 12 as a Chapter 13 type bill, “yet, they’ve used this very simple process to handle a very complex business.”

He pointed out that “the farm debtor remains debtor-in-possession under a 12, but he can be removed for fraud, incompetency or mismanagement. In some cases, if you know that situation and can prove it, then it’s a good step to take.” Judge Stageman advised bankers to make every effort to try for a prebankruptcy workout for “it’s far better than resorting to the Bankruptcy Code.” He suggested bankers “keep on top of your loans. Keep on top of your collateral. Stay out of farming decisions. Use appraisers.

“If the matter then goes in a 12, consider a motion to dismiss—if it’s not going to work, dismiss it! Make sure there are no previous filings within 180 days. Consider an investigation by the trustee if it’s a shaky or shady operation. Move to liquidate. Move against a co-debtor. It’s the debtor’s responsibility to prove a plan will work and you can challenge that.”

Judge Stageman concluded by stating, “It’s my considered opinion that in 80% of the cases, if you want to spend some money you can defeat Chapter 12s. It’s not so easy for debtors as some would make it seem.”

Mr. Flynn provided a 13-page outline to registrants, then reviewed some of those highlights in his part of the Chapter 12 seminar. He reported that as of the date of his talk, 370 Chapter 12s had been filed—170 of them in Nebraska, 130 in Iowa and 70 in all other states. Several points he stressed in his talk related to Adequate Protection and the need for bankers and their attorneys to be totally familiar with those provisions; the Plan of Reorganization and his recommendations; filing on time to protect creditor’s rights.

Judge Stageman and Mr. Flynn then conducted an extended question and answer session. In respond-



GENERAL SESSION SPEAKERS. Left—Tom Flynn, Des Moines atty; Leslie Miller, chmn. IBA Ag committee, and Judge Richard Stageman, Des Moines atty. RIGHT—Dr. Michael Boehlje, center, visits with interested bankers following his “Credit Analysis” presentation.



WORKSHOPS. Left—**Paul Peterson**, a.v.p., Maquoketa State, a member of IBA Ag Comm., introduced **Jo Ann Merfeld**, a.v.p., Citizens Natl., Charles City. RIGHT—Regulators panel consisted of: **Rodney Dixon**, Office of Comptroller of the Currency; **Jay Gruenwald**, field office superv., Iowa dept. of bkg., and **Gary Liess**, sr. fld. exam., FDIC.



ing to one question, Mr. Flynn said "An ISU study shows that those leveraged 70% or more can't make it. Chapter 12s are all 100% leveraged."

Scams Abound!

The final presentation of the first session was given by Tam Ormiston, assistant in the Iowa Attorney General's Office, who described three trains of events that have been prevalent in "scams" since 1981: 1. Loan finding, always with advance fees for "placing" the loan. 2. Bogus lawsuits. 3. Bogus land transfers.

He attributed the entry of loan finders and their "scam" fees to the fact that after 1981 loans were more difficult to obtain, and lenders became wary of borrowers who were using borrowed money for unwise purchases. "In stepped loan finders who portrayed themselves as caring, concerned, quiet people with money they could get in 30 to 90 days from overseas connections. No fees, just some cash start-up costs. It sounds bad to us, but many have fallen for the same pitch, including bankers, lawyers, farmers and doctors."

He described the bogus lawsuits as ones "going back to archaic, Elizabethan divine laws. Farmers have been paying \$500 to \$5,000 a pop. These false lawsuits can cloud titles and create problems between the farmer and his lender." On the bogus land transfers, Mr. Ormiston said one Nassau-based company charged \$25,000 to set up each one.

In relating to the Chapter 12 discussion, Mr. Ormiston urged bankers to utilize advance mediation to the fullest to avoid bankruptcy filings. He urged bankers to use the state's official mediation service. "A

lot of talk is used informally trying to get things patched up, as in a marriage, but it really needs the help of a divorce counselor to pull the parties together by outlining the areas of agreement and disagreement. The same can be said for bank/borrower mediation."

Second Session

Art Pulis, president of Pulis & Associates, Wickenburg, Ariz., used his "Negotiating for Success" talk at the second general session to encourage bankers to abandon the "power negotiation" posture for one that seeks "common goal negotiation," thus leading to better accepted solutions by both parties.

Dr. Michael Boehlje, head of the Department of Agriculture and Applied Economics at the University of Minnesota, Minneapolis, returned to familiar surroundings on the ISU campus where he was an integral part of the teaching staff as Ag Economics professor for many years. Dr. Boehlje gave two outstanding presentations to the ag bankers—"Bringing New Business to the Bank" for the general session, and "Close-Up of Credit Analysis" at one of the four concurrent workshops. Dr. Boehlje's excellent discussions will be presented as individual features in following issues.

Other Workshops

In her workshop on "Policing FmHA Guaranteed Loan Program Procedures," Jo Ann Merfeld, assistant vice president at Citizens National Bank, Charles City, discussed the methods used by that bank to improve its handling of FmHA loans. Her goal was to foster greater cooperation between banks and FmHA offices, relying on the suc-

cessful experience she has had at Citizens National. "Bankers must do their documentation and loan servicing well throughout the entire life of the loan," she stressed, and you will find then that there will be little or no difficulty in gaining loan approval, or agreement on a workout." She recommended these steps:

"1. Work closely with local FmHA offices to get any procedural or any specific case problems worked out.

"2. Attend the county meetings where loans are presented for approval. The presence of the banker is helpful. Explain the loan situation; answer questions; help committeemen understand the farm operation, what caused the problem and why it will improve with this particular loan."

Relating her own personal experience, Jo Ann said, "I wanted the local office to be able to trust me. I wanted to give them a single contact in the bank for consistency in procedures and understanding. I wanted to develop trust and confidence between us so we could have a good working relationship to the benefit of our customers. Knowing each other better makes it easier, for example, to take a 90% guaranteed loan that can't be approved at that level and perhaps working out an arrangement for an 85% or an 80% guarantee.

"After working through many of these loans with FmHA, we've changed some of our own bank's loan procedures and forms; we're more analytical in all of our loan activities. I think we are better lenders because of this experience."

A third workshop dealt with "The

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

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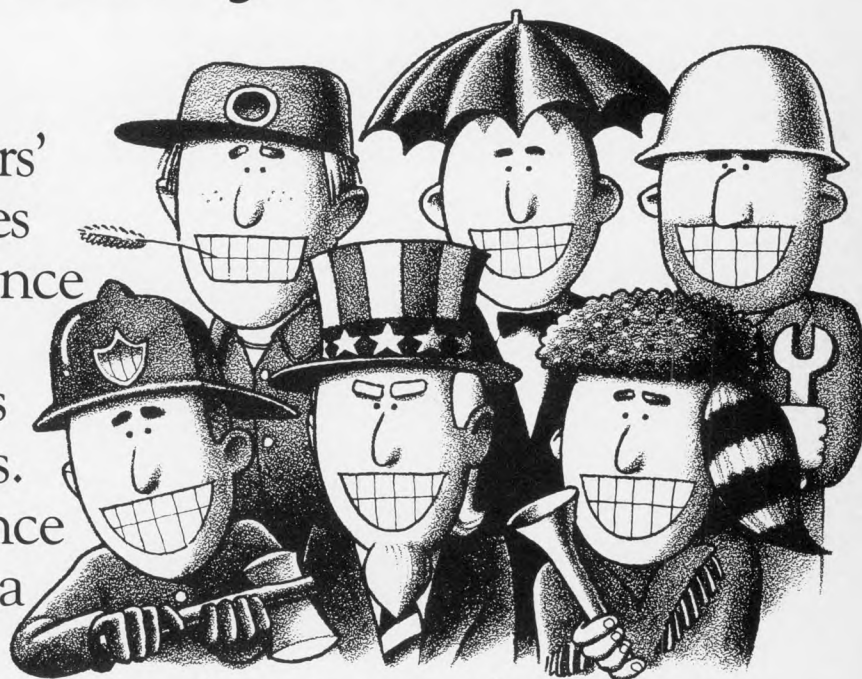
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Profits and Pitfalls of Alternative Crops," presented by Dan Cooper, state horticulturist with the Iowa Department of Agriculture, and Mike Tramontina, deputy to State Treasurer Michael Fitzgerald. Mr. Cooper explored the several alternative crops that hold promise for Iowa, and Mr. Tramontina gave details of the state-backed incentive programs that banks can tap to offer customers low-interest money to produce alternative crops. Details of an interview with Mr. Tramontina and Mr. Fitzgerald will be published in a following issue.

"How Tough Is the Current Regulatory Environment" was a topic covered by the three-man panel of Jay Gruenwald, Iowa banking department field office supervisor; Gary Liess, FDIC senior field examiner from the Urbandale office, and Rodney Dixon, national bank examiner with the Comptroller of the Currency.

The interest in this workshop was evidenced by the fact that 90 were in attendance for the first presentation and 110 banks took part when it was given the second time. Bankers were concerned about whether regulators would be as structured in their approach as in the past, or if they would be more willing to work with banks on a plan the bank had devised to overcome any problems. It appeared that the three regulators agreed they would certainly prefer to work with banks to help them overcome any particular loan problem or series of loans.

Mr. Gruenwald said "our job is to analyze the assets and how well management is accomplishing that, and to assist in whatever way we can for the bank to correct a problem or return to profitability." Mr. Gruenwald is a third generation Iowa department examiner. His grandfather, Fred, and his father, Jim, preceded him on the department staff and both later became officers at Davenport Bank and Trust Company.

A major point stressed by all three regulators was the highly important need for thorough documentation. Another was the importance of setting up a bank's own "watch" list on its loans. The existence of such a list, especially if it's well prepared and realistic, "gives examiners a degree of confidence in the banker" Mr. Gruenwald stated. The FDIC and Comptroller stated how

they review lines of credit, and how they might differ from the approach of the state banking department. They all stressed that just because a loan is on a "watch" list doesn't mean it will be classified.

One area of difference was on handling of Other Real Estate. The Iowa department goal, Mr. Gruenwald said, is to get O.R.E. downpriced to a realistic level as soon as possible and sold out of the bank. The FDIC and Comptroller look at O.R.E. more as an income producing asset and if it can get a 10% return then it will probably be OKd.

Overall, documentation in every respect was recommended by all three regulators. The tenor of their presentations indicated a sincere willingness to help banks work out of their current problems wherever possible. "One problem now," Mr. Gruenwald said, "is that banks have done everything they've been asked to do or had to do. They've basically identified their problems, taken a lot of charge-offs, and gotten their affairs in better shape. But now, it's difficult for them to get good loans, so their earnings are now also low."

Those four workshops were each presented twice during the afternoon.

Third Session Speakers

On the concluding morning, Dr. John Marten, the knowledgeable, humorous staff economist of *Farm Journal Magazine*, gave his economic outlook for 1987, looking at effects of the new Farm Bill and Tax Bill on farm policies, as well as giving his marketing assessment of what lies ahead.

Dr. Alan Tubbs, president of First Central State Bank, DeWitt, and executive vice president, Maquoketa State Bank, gave an update on ABA's "Transition in Rural Economics" comprehensive study about the future of agriculture and ag banking. He noted the total debt outstanding today—consumer, national and international—and stated, "considering all things, agriculture may have been way ahead of the game by wringing out its problems earlier than these other players; so, agriculture may wind up in a far better position."

The "Transitions" study is available for a fee from ABA and helps banks look at their strengths, their competitive position, their ag markets, and determine where they should position themselves, where

their niche in the ag business will be in the future.

Concluding speaker Gary Maas, a management consultant, gave his "attitude adjustment" speech, "Motivating the Team During Changing Times."

Steve Stahly, president of MASI, Inc., was an added speaker to the conference program. He outlined details of the Secondary Market program that has been developed by MASI and now is active in three states—Iowa, North Dakota and South Dakota. He said criteria for a national secondary market are being developed by the banking and life insurance industries, with input from Farm Credit System. A Task Force from ABA was meeting that week with insurance companies and the FCS to hammer out details. Mr. Stahly said Federal Land Bank officials were quoted as saying that a secondary market that didn't include them would probably mean the end of the Land Bank. "I think that's a strong statement," Mr. Stahly commented.

ABA has hired an experienced consultant for its staff from a Washington, D.C. firm. Mr. Stahly said Jim Murray formerly was GNMA counsel. This will shore up ABA's efforts to develop a secondary market nationwide for ag loans. Mr. Stahly said if such a market is developed it would aid MASI by offering further outlets for placement of its loans. □

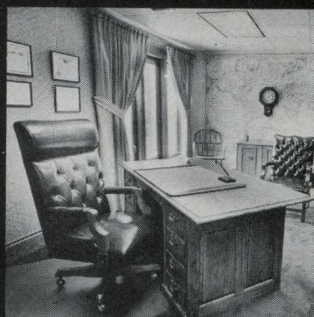
Named in Marshalltown

Larry M. Hutchinson has been named president and chief executive officer of Commercial State Bank of Marshalltown. He replaces George Taylor, who held the position since 1978. Mr. Taylor will continue as chairman of the board.

Mr. Hutchinson has been president and CEO of Hawkeye Bank & Trust of Sioux City for the past six years. He began his banking career at Jasper County Savings Bank, Newton, in 1962.

Elected in Sumner

Richard H. Rath has been elected president and chief executive officer of The First National Bank of Sumner. He joined the bank in 1985 as senior vice president and succeeds Robert J. Arthaud.



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LEFT—Addressing marketing issues during a panel discussion were, from left: IBA Pres. **Russell Howard**, chmn., Mahaska Inv. Co., Oskaloosa; **Tony Payne**, pres. & chmn., First Natl., Council Bluffs; **Henry Royer**, pres. & chmn., Merchants Natl., Cedar Rapids, and **Mick Gutttau**, pres. & chmn., Treynor State. **RIGHT**—Participants in this year's marketing conference included, from left: **Michael Thompson**, mktg. committee chmn. IBA, and v.p., Citizens State, Clarinda; **Dick Holthaus**, mktg. dir., IBA, and **Gary Raddon**, pres., Raddon Financial Group, Chicago.



IBA Marketing Conference: Becoming the Best of Iowa

by
DIANE NELSON Associate Editor and **ROBERT CRONIN** Associate Publisher

THE sight of 150 bankers in "Best of Iowa" T-shirts could be witnessed by visitors to the Hotel Fort Des Moines during this year's Iowa Bankers Association Marketing Conference, held March 3-5. The T-shirts reflected an almost playful spirit prevalent during the meeting, as the attendees enjoyed a very positive and upbeat series of presenters.

In his introductory remarks, IBA Marketing Committee chairman Michael Thompson, vice president of Citizens State Bank in Clarinda, explained the conference was designed to offer bankers "hands-on insights and user-friendly materials." He stated the mission of marketing officers is to make both their banks and their communities more successful, and the conference would help them do so in a most practical way.

Gary Raddon, president, Raddon Financial group, Chicago, gave the first presentation, "Product Planning: What Needs to Be Done?" He explained that banks typically set marketing goals first and then try to force results from the market, when they would be better off studying the market first and then determining the way to reach their share.

Mr. Raddon emphasized that the most cost-effective marketing approach is to cross-sell existing products to existing customers. "A new

product is a cop-out many times," he said. "You can do a better job with existing products." The role of marketing is "creating a demand where no demand exists," educating customers to see their needs for the products you offer.

He encouraged use of focus groups with employees and consumer surveys with customers in order to evaluate your bank's strengths and weaknesses. By analyzing the market attractiveness and competitive strength of products, banks can invest their resources to increase the number of products which are rated well.

One of the best ways to know your market, he said, is to establish a "household data base," a central computer file grouped by households. Product development and cross-selling can be greatly assisted by such records.

Kateri Schmerler, assistant vice president of First Bank System, St. Paul, spoke on "Service Quality from the Customer's Perspective." Emphasizing the importance of service, she stated, "The customer sees your people and not your products as the competitive edge." Because the high quality of your service must be consistent, the marketing officer must be sure the network is working, and both sales and service are aiming toward the same consis-

tent excellence.

Ms. Schmerler gave the following steps for implementing quality service by your staff: 1) Describe the results you are looking for and how you want to achieve them, particularly through job descriptions. 2) Provide consequences—what happens if staff members do or don't perform. 3) Provide good role models and be sure they receive the rewards they deserve. 4) Sell to your customers.

Ms. Schmerler summed up her remarks on good service with the statement that it is "easy to identify—tough to deliver—but critical."

Noon hour festivities on Tuesday included a presentation on the centennial bank being built at Living History Farms, a luncheon, and a centennial celebration with cake and ice cream.

The afternoon session featured concurrent workshops. Mike Moebs, president of G.M. Moebs & Associates, Lincolnwood, Ill., spoke on "Bottom Line Pricing"; Jeannette Ellington, assistant vice president, IBIS, spoke on "Annuities: Are These Tax-Saving Plans Right for Your Bank?"; and Don Uker, professional media consultant, Denison, spoke on "Effective Use of Direct Mail Techniques." Also offered were presentations on successful marketing campaigns at Grundy Na-

tional Bank, Grundy Center; Treynor State Bank, Treynor; First Bank, West Des Moines; First Security Bank & Trust Company, Charles City; Maquoketa State Bank, Maquoketa, and Jasper County Savings Bank, Newton.

"What We Want Out of Marketing" was the theme of a panel moderated by Russell S. Howard, IBA president, and featuring Mick Gutttau, president and chairman, Treynor State Bank; Tony Payne, chairman, president and CEO of First National Bank, Council Bluffs, and Henry Royer, chairman, president and CEO of Merchants National Bank, Cedar Rapids.

Mr. Gutttau calls marketing "a team concept." He encourages customer service and a positive sales attitude among employees, and offers employees incentives. "Our goal is to offer one-stop financial service," and in doing so, he said, "we will retain current customers and increase our bank's market share."

Mr. Payne, who has taken his bank from a problem bank to a financial institution that has posted record earnings for the past three years, calls the banking profession "a bottom line business that should offer basic services priced effectively offering a good return." One way in which Mr. Payne's bank accomplishes its goals is through a unique officer calling program.

"The bank you're in is as good as your community," said Mr. Royer, whose marketing philosophy is to "create and keep a customer." To do this, he said, "there must be a vision," which includes "service to your customers, taking care of employees and showing a profit for the

board of directors." He emphasized that this program can work and cautioned, "Never let an employee take their eyes off of that vision."

The Best of Iowa Awards Dinner and Presentation was held Tuesday evening. Winners are listed at the conclusion of this article.

T-shirts were required attire Wednesday morning, when the session opened with exercise and a presentation by health and physical education instructor Beth Kirkpatrick of Vinton.

Psychologist, educator and consultant Dr. Charlene Bell gave an inspiring talk entitled "A Company Called You." Comparing the individual to the corporation, Dr. Bell remarked, "You cannot market your bank any better than you market yourself." In her opinion, the answer to an unsatisfactory situation is usually to change yourself—your attitudes, your feelings and your behavior. The source of strength for doing so lies in your self-worth, which Dr. Bell declared is a gift, a fact in which the successful person believes.

Peter Vergis, president of Sales Earnings Group, Inc. of Greenlawn, N.Y., told attendees of an excellent example of quality products and services in his talk, "McDonald's and Banking." He credited the success of that organization to the standardization of operations throughout their 900 restaurants. The McDonald's philosophy can be broken down into these principles: 1) define jobs; 2) structure the organization; 3) coach your staff, and 4) be consistent.

McDonald's approach to marketing emphasizes cross-selling, stan-

dard appearance, consistent image, local promotion and community participation. Mr. Vergis declared the dedication to excellence exhibited by McDonald's can be translated into any bank's circumstances. To prove the principles work anywhere, he showed slides of a model McDonald's which attendees discovered at the close to be located in the heart of a decaying neighborhood in Harlem.

"Creating a Sales Culture" was the theme of the presentation by George Morvis, president of Financial Shares Corporation in Chicago. He reiterated the starting point of the conference originally made by Gary Raddon when he said, "Markets make businesses, businesses do not make markets." He emphasized the importance of continually scanning the market and keeping your demographics in mind.

Mr. Morvis defined sales management as "the management of existing resources to maintain sales at a profit." He considered this area to be as important an element of marketing as advertising, and chastised banks for having sales training but no specific sales manager.

He listed several points as essential in developing a successful sales system. First, build a marketing-conscious attitude into your organizational structure. Have a sales plan with products geared toward what the market wants. Have a definite training and development plan. Keep performance in mind—job descriptions, standards, target, rewards and compensations. Last, integrate your support systems; that is, back up advertising with service.

Attendees left the Marketing Con-



LEFT—Hosting the afternoon marketing showcase workshops were, from left: **Jeanette M. Ellington**, a.v.p., IBIS, Inc., Des Moines, and **Mike Moebs**, pres., G.M. Moebs & Assoc., Lincolnwood, Ill. RIGHT—Morning speakers included, from left: **Peter Vergis**, pres., Sales Earnings Group, Inc., Greenlawn, N.Y., and **Dr. Charlene Bell**, psychologist and business consultant, Des Moines.



LEFT—Billed as the “eye opener of all eye openers” the 1987 Marketing Committee demonstrates its “stuff” by doing the “marketing shuffle.” **RIGHT**—**Kateri Schmerler**, a.v.p., First Bank, St. Paul, spoke on service quality to customers.



ference with plenty of practical ideas for improving the sales and service at their banks, thus making them, as the T-shirts expressed, “The Best of Iowa.” □

“Best of Iowa” Awards

Newspaper

First Place: Peoples State Bank, Missouri Valley; West Bank, West Des Moines; First National Bank of West Des Moines; Mahaska State Bank, Oskaloosa.

Merit Award: Iowa Savings Bank, Coon Rapids; First Interstate Bank of Kalona; Peoples Trust & Savings Bank, Indianola; Bankers Trust, Des Moines; Security Bank, Marshalltown.

Outdoor

First Place: Bankers Trust, Des Moines; Peoples Trust & Savings Bank, Indianola.

Merit Award: Davenport Bank & Trust; Iowa State Bank, Des Moines.

Literature

First Place: Maquoketa State Bank; The Grundy National Bank, Grundy

Center; The National Bank of Waterloo; Treynor State Bank.

Merit Award: Davenport Bank & Trust (2); First Bank, Davenport; South Story Bank & Trust, Slater; Iowa State Bank, Algona.

Products & Services

First Place: Bankers Trust, Des Moines; The Grundy National Bank, Grundy Center; Treynor State Bank.

Merit Award: First Interstate Bank of Kalona; Maquoketa State Bank; Peoples Trust & Savings Bank, Indianola; Security Bank, Marshalltown; Security National Bank, Sioux City (2); The Grundy National Bank, Grundy Center.

Institutional

First Place: American Trust & Savings Bank, Dubuque; First Interstate, Des Moines; First Interstate, Kalona; Maquoketa State Bank; Pocahontas State Bank.

Merit Award: First Bank, Davenport; National Bank of Iowa, Denison; Peoples Trust & Savings Bank, Indianola; Merchants National Bank, Cedar Rapids; Perry State Bank; Grundy National Bank, Grundy Center.

Community Relations

First Place: First National Bank of West Des Moines; First Security Bank & Trust Co., Charles City; Peoples Bank & Trust, Waterloo; Treynor State Bank.

Merit Award: First National Bank, Fairfield; Jasper County Savings Bank, Newton; Merchants National Bank, Cedar Rapids.

Point-of-Purchase

First Place: Merchants National Bank, Cedar Rapids.

Merit Award: Council Bluffs Savings Bank.

Television

First Place: First Bank, Davenport; Merchants National Bank, Cedar Rapids; State Bank & Trust, Council Bluffs.

Merit Award: State Bank & Trust, Council Bluffs; National Bank of Waterloo.

Radio

First Place: First Bank, Davenport; Iowa State Savings Bank, Clinton; National Bank of Waterloo.

Merit Award: Mahaska State Bank, Oskaloosa; Merchants National Bank, Cedar Rapids.

Waterloo Bank Wins Marketing Awards

The National Bank of Waterloo won three awards in the Iowa Bankers Association’s “Best of Iowa” marketing and advertising competition.

The bank won first place on its annual report, first place for radio and a merit award for television for its “Build On Our Strength” campaign. The TV campaign also received first place in the Addy awards competition in Cedar Rapids.

140 applicants entered the “Best of Iowa” competition, and entries

were judged on the basis of creative excellence and grouped by size.

The awards were accepted by Greg Stibal, marketing director at the bank, and Frank Cooper, vice president and manager of Colle & McVoy Advertising.

Elected in Washington

The National Bank of Washington has announced the election of Bruce Jordan, Dale Miller and Dale Roberts to vice president and Craig Caldwell to assistant vice president. All four have been with the bank a number of years and have primary

responsibilities in loan administration.

Added in Sioux Center

David E. Ulrickson has been employed by The First National Bank of Sioux Center as an agricultural loan officer. In the past he has been involved in a variety of lending functions with the Production Credit Association at Brookings and Watertown and with the Farmers Home Administration at Watertown, Pierre and Phillip, all in South Dakota. He was most recently employed as a farm credit analyst with the FHA at Sibley, Iowa.

Promoted in Dubuque

At Dubuque Bank and Trust Company, Lynn S. Fuller has been promoted to vice chairman of the board. He joined the bank 22 years ago and previously held the positions of president and chief executive officer.



L.S. FULLER

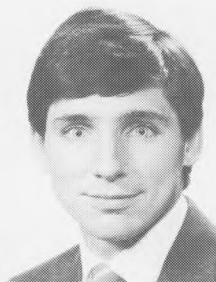
Lynn B. Fuller has been promoted to president and CEO. He previously served as executive vice president and COO, and has been with the bank since 1971.



L.B. FULLER



M.L. FULLER



P. HEACOCK

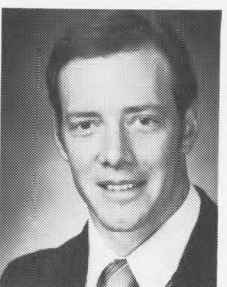


R. SPAUTZ

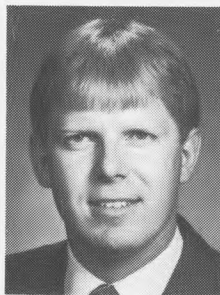
Dubuque Bank and Trust Company has announced the promotion of Mary Lou Fuller to assistant vice president, director of sales, and Paul J. Heacock to trust investment officer. In her position Ms. Fuller has responsibility for management of the financial service counselor group at all DB&T locations. Mr. Heacock will be involved in trust equity investments.



H. PIPER



M. LAMPO



S. KROGMEIER



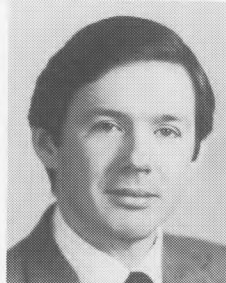
J. SHANAHAN

Other promotions announced are: Richard K. Spautz, vice president, senior consumer loan officer; Holly Piper, assistant vice president and branch manager; Michael Lampo, assistant vice president/agricultural lending; Steven Krogmeier, assistant vice president/agricultural lending, and Julie Shanahan, teller operations/security officer.

Changes Told in Davenport

Staff changes were recently announced at Davenport Bank and Trust Company.

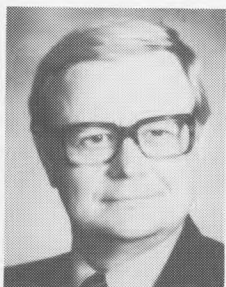
Michael J. Powers has been named first vice president of the loan division. He will continue to head the installment loan department. Mr. Powers joined the bank in 1972.



M.J. POWERS



P.A. WEST



L.E. MAKOBEN

Patricia A. West has been named financial services officer. She will supervise the main bank's financial service department and other customer relation services. She joined Davenport Bank in 1985.

Larry E. Makoben has joined the bank as commercial banking officer. He has 24 years of banking experience in the Quad Cities and Chicago.

Changes Told in Dubuque

American Trust and Savings Bank, Dubuque, has announced the election of Ronald Mueller to second vice president and personnel officer. Mr. Mueller joined the bank in 1970 and has responsibility for the bank's personnel administration area.

Donald T. Beresford has been elected second vice president and computer services officer. He joined the bank in 1956 and has responsibility for the computer services area.

In addition, Therese Kluesner has been appointed to real estate loan officer, and Dennis George to credit officer.

Correction!

United Bank and Trust of Ames should have been included in the "Largest Banks in Iowa" chart in last month's issue. United Bank and Trust ranks as the 34th largest bank in Iowa with 1986 year-end deposits of \$124,005,000 and net loans of \$73,141,000. The 1985 year-end figures were deposits of \$107,455,000 and net loans of \$70,514,000, when United Bank and Trust was the 40th largest in Iowa.

President Larry Wenzl reported positive growth throughout the bank resulting from the merger just two years ago of Union Story Trust and Savings Bank and University Bank & Trust, both of Ames, to form United Bank and Trust.

1987 Iowa Group Meetings

Group	Date	Location
8	May 4	Clinton
4	May 5	Cedar Rapids
7	May 6	Ames
6	May 7	Des Moines
5	May 18	Council Bluffs
2	May 19	Fort Dodge
12	May 20	Okoboji
3	May 21	Clear Lake

Changes Announced in Indianola

James R. Davies has retired from Peoples Trust & Savings Bank, Indianola. He joined the bank in 1952 and served as its president from 1984 to 1986. He was also president of Farmers Credit Corp. and chairman of the board of Peoples Co. of Indianola.

A graduate of Iowa State University with an agriculture major, Mr. Davies was active in the agriculture industry.



J.R. DAVIES

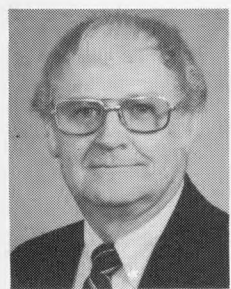


B. DOWNING



W. VANDERTUIG

Bob Downing has been elected chairman of the board at Peoples Trust. He has been a director since 1971. Mr. Downing is president of Downing Construction Inc. and Apple Tree Inn Company.



T.J. NICHOLLS



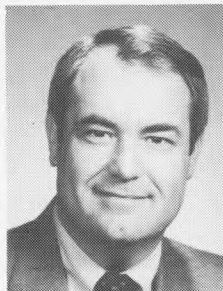
K.T. KELLER

Wayne Vander Tuig has joined the staff of Peoples Trust as cashier. He previously was employed by the National Bank of Waterloo. T.J. Nicholls, senior vice president as well as cashier and auditor, will become a full-time auditor. He has been with the bank since 1949, and also has been secretary of Peoples Bank and PT&SBancorp and secretary-treasurer of Peoples Company of Indianola. Kim Tierney Keller, assistant vice president, has been elected trust officer. She has been with the bank since 1978 and was

the first manager of the West Roads office.

Appointed in Cedar Rapids

Daniel R. Costello has been appointed vice president—consumer lending at City National Bank, Cedar Rapids. He previously served as vice president at Perpetual Savings & Loan. Prior to that he was assistant vice president at Farmers State Bank in Marion, and district manager at Commercial Credit in Cedar Rapids.



D. COSTELLO

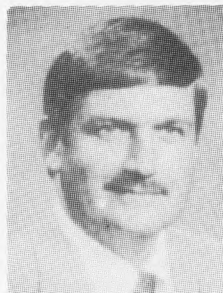
Promoted in Iowa City

Iowa State Bank & Trust Company, Iowa City, has announced three promotions.

Richard D. Smith was promoted to senior vice president—computer services. He has been with the bank since 1970 in that department. Steven A. Nath was advanced to vice president and controller. He has held several positions in the accounting department since joining the bank in 1972. Kristin E. Summerwill has been promoted to second vice president. She has been responsible for the bank's marketing program since joining the bank in 1980.

Promoted in Pocahontas

The Pocahontas State Bank board of directors has announced that Charles Bloomcamp has been promoted to vice president of the bank. He will retain his title and responsibilities as cashier. Mr. Bloomcamp came to the bank eight years ago from the Iowa Department of Banking. Prior to that, he was employed at LeMars Saving Bank.



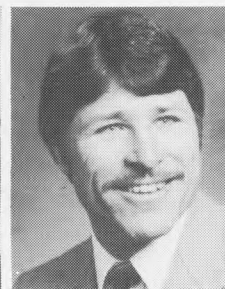
C. BLOOMCAMP

Advanced in Waterloo

At The National Bank of Waterloo, two officers have been pro-



L. LUDOLPH



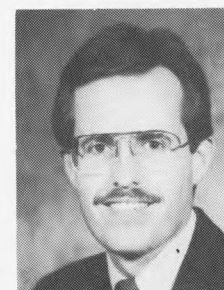
C. YAGLA

moted. Lucia Ludolph has been advanced to managing officer of Crossroads Drive-In branch of the bank. She joined the bank in 1968 and served as assistant manager/supervisor of the National Plaza branch before moving to the Crossroads location in early 1986. Chuck Yagla has been promoted to data processing officer. He joined the bank in 1983 as a management trainee and became data processing marketing representative in 1985.

Promoted in Clear Lake

The Clear Lake Bank and Trust Company recently announced the promotions of Gary R. Peterson to assistant vice president/installment loans, and Jane Humphrey to assistant cashier/installment loans.

Mr. Peterson came to the bank in 1979 from a position as assistant manager of O'Dea Financial Services. He also handles student loans and retirement accounts.



G.R. PETERSON



J. HUMPHREY

Ms. Humphrey joined the bank in 1984. In addition to her secretarial duties, she is responsible for loan administration and the student loan portfolio.

Added in Somers

Miles W. McCubbin has joined Somers Savings Bank, Somers. His responsibilities will be in consumer relations and services, insurance sales, and promotion of new and existing products and services. He previously worked for Titonka Savings Bank.

Shareholders OK Hawkeye Debt Plan

HAWKEYE Bancorporation gained overwhelming approval of shareholders last month for its previously announced debt restructuring agreement with Hawkeye's principal creditors. Shareholders also approved a proposal to amend and restate the articles of incorporation that will allow implementation of that agreement.

Hawkeye issued 2,690,877 shares of preference stock to its institutional creditors in payment of \$32.3 million of restructured indebtedness. The new preference shares, which are convertible into common stock on a share-for-share basis at the option of the holders at any time, represent in the aggregate 25 percent of the equity of Hawkeye on a fully diluted basis.

Hawkeye also issued a total of 233,983 shares of common stock in exchange for 14,766 shares of preferred stock upon completion of a previously announced exchange offer to the holders of preferred. As a result of these actions, Hawkeye has outstanding 6,922,949 shares of common stock, 155,009 shares of preferred stock which are convertible into 1,149,681 shares of common stock, and the 2,690,877 shares of preference stock convertible into a like number of common shares. Total common stock equivalents are 10,763,507.

The agreement and subsequent shareholder approval gives creditors 25 percent ownership of Hawkeye,

and the possibility they could eventually own 80 percent of the firm. The extent of that creditor ownership is contingent upon Hawkeye paying off \$69.9 million in debt plus interest in eight years. Paul Dunlap, Hawkeye chairman and founder, said his company "has no intention to continue that payment schedule" because he believes Hawkeye will be profitable by that time and the debt will be refinanced.

Advance time to a degree has been bought by Hawkeye through the sale of 10 of its banks and four subsidiaries, thus accumulating enough cash to make necessary payments through 1988. A total of 17 of Hawkeye's 36 banks have been put up for sale.

Hawkeye has another fight on its hands at this time in connection with the recent failure of its State Bank of Allison. The Federal Reserve Board contends that Hawkeye should have used the full resources of the holding company to maintain the viability of the failed bank instead of letting it fail and having the FDIC absorb any losses that might ensue. That question has not yet been resolved and reportedly could impact the creditor agreement.

According to documents furnished by Hawkeye Bancorporation, there are three major creditors owed \$16 million to \$26.5 million, and 10 other creditors owed amounts varying from \$1.5 million to \$8.5 million, as shown in the accompanying chart.

Mr. Dunlap stated in February that 10 Hawkeye banks qualify for the federal regulatory capital forbearance program. Three banks have been approved for that program—Citizens National Bank, Boone; First National Bank, Clinton, and State Bank and Trust, Council Bluffs. Applications are pending for capital forbearance for Hawkeye Bank and Trust, Burlington, and Commercial State Bank, Marshalltown. □

Promoted in Mo. Valley

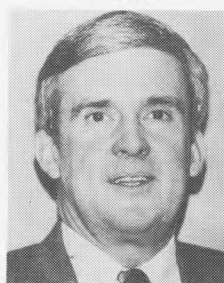
At Peoples State Bank, Missouri Valley, Dale Ward has been named president. He was formerly the administrative assistant to the CEO.



D. WARD



C. SCHUMACHER



J. SCHWERTLEY



L. HACK

In addition, former vice president Charles Schumacher is now executive vice president, former cashier James Schwertley is now vice president and cashier, and Linda Hack, former assistant cashier, is now also a loan officer.

Promoted in Remsen

Dean R. Conrad has been promoted to vice president and cashier of the First Trust & Savings Bank, Remsen. He has been with the bank since 1980.

Promoted in Anita

The Anita State Bank of Anita has announced the following promotions: Curtis D. Peterson to vice president, Terry Spry to loan officer, and LaVeda M. Pine to director.

Lenders	Principal Amount of Restructured Indebtedness	Percentage of Restructured Indebtedness
First National Bank of Minneapolis	\$26,501,888.88	26.547%
Continental Illinois National Bank and Trust Co.	\$21,694,247.23	21.731%
Credit Suisse	\$16,141,493.06	16.169%
The Bank of New York as Trustee for 7th and 8th Intermediate Series of Corporate Income Fund	\$2,129,736.66	2.134%
The Bank of New York as Trustee for 32d-36th Monthly Payment Series of Corporate Income Fund	\$8,519,766.67	8.533%
Connecticut General Life Insurance Co.	\$5,949,166.66	5.959%
Equitable Life Assurance Society of the United States	\$5,408,333.33	5.418%
United of Omaha Life Insurance Co.	\$2,163,333.33	2.167%
Liberty Life Insurance Co.	\$1,622,500.00	1.625%
Mutual of Omaha Insurance Co.	\$1,081,666.67	1.084%
Norwest Bank Des Moines	\$4,277,999.99	4.825%
Bankers Trust Co.	\$2,759,430.56	2.764%
The Morris Plan	\$1,581,125.00	1.584%
Total	\$99,830,688.04	100.00%

Economic Summit Meeting Held

By **ROBERT CRONIN**
Associate Publisher

DONALD P. Jacobs, dean of the J.L. Kellogg Graduate School of Management at Northwestern University, spoke in Des Moines last month during the Economic Summit Meeting sponsored by Bankers Trust Company, held at the Des Moines Convention Center. Mr. Jacobs spoke on the impact of international developments upon both our domestic and midwestern economies. He was introduced by chairman of the Bankers Trust Executive Committee John Ruan.

In addressing the international scene, Mr. Jacobs pointed out that there are no longer "many markets that make up the world trade pic-



D.P. JACOBS

ture, but what we are seeing now is a one market world, from the cars you drive to the clothes that you wear."

Mr. Jacobs said that Japan, one of the world's biggest exporters, could now be faced with restriction if the U.S. gets tough and drops its image as a "paper tiger." "We haven't pushed the Japanese enough and they have taken advantage of the U.S. with trade restrictions," he emphasized. Commenting on the Japanese economy, Mr. Jacobs added, "We have the disadvantage because we don't have the skill that they have had to learn when we were the king of trade." He also pointed out how inexpensive labor is in foreign countries like Japan, but he cautioned, "I hope American labor cost will always be high because we can't afford to compete on a labor-per hour basis."

To be more competitive in the world market we must "spend more time and money on training and preparing to compete," he said. "I see the plant of the future as being highly automated. We can compete with

foreign workers' wages with a computer-operated factory."

In addressing the banking side of world economics, Mr. Jacobs said he doesn't expect the "big bang" some predict will happen, but does foresee various mini-crises. "It's to no one's advantage to have the whole global industry go bang," he said.

He is, however, concerned about the large foreign debt owed to American financial institutions which makes up some 7-10% of the asset base of these money-center banks. Mr. Jacobs stressed the need for debtor nations to buy less and sell more.

"It takes a long time for a market to turn around. What we must first do is see that the banking system is saved, then work on making it better. The banking system will survive," Mr. Jacobs concluded. □

IBIS Seminars Announced

Iowa Bankers Insurance and Services, Inc. has announced its schedule for Continuing Education Seminars in 1987. These seminars have been approved by the Iowa Department of Insurance for 10 hours of Continuing Education Credits.

The spring seminars will be held May 11 at the Carrollton Inn, Carroll; May 13 at Adventureland Inn, Des Moines, and May 15 at the Red Fox Inn, Waverly.

Fall sessions will be held October 12 at the Hilton Inn, Sioux City; Oct. 14 at the Sheraton Inn, Cedar Rapids, and Oct. 16 at Adventureland Inn, Des Moines.

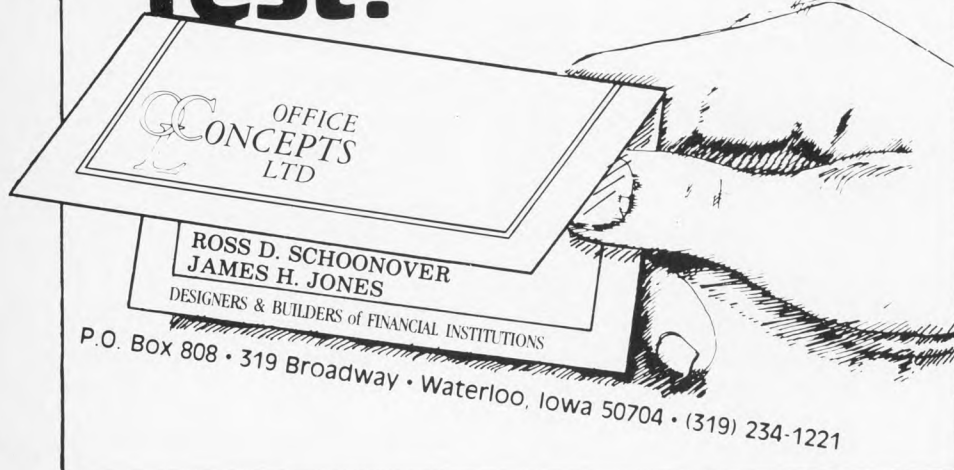
Registration forms may be obtained from Charlotte Kraai, IBIS, 104 E. Locust St., Des Moines, IA 50308, or call (515) 286-4395. Call toll free 1-800-532-1423 in Iowa or 1-800-247-5065 out of state.

Bank Moves To Wapello

Iowa National Bank has received approval from the Comptroller of the Currency to move its headquarters from Morning Sun to Wapello, according to Richard H. Buenneke, president, and Steven L. Jacobson, executive vice president.

Construction of a new building, located on Highway 61 in Wapello, is underway. Morning Sun will continue as an office, offering full banking services.

Committed to making your bank stand apart from the rest!



● RMA President Meets Iowa Press

HOME EQUITY lending, statewide branching and interstate banking were topics discussed by Robert Morris Associates President Malcolm T. Murray, Jr., at a press conference in Des Moines last month. Mr. Murray is executive vice president of First Union National Bank in Charlotte, N.C.

Hosting the breakfast press conference were Roger D. Petersen, chairman of the Iowa RMA Group, and Thomas B. Hildebrand, immediate past chairman. Mr. Petersen is vice president and senior loan officer at First National Bank of West Des Moines. Mr. Hildebrand, vice president of Hawkeye Bank and Trust, Des Moines, is now president-elect of the multi-state RMA Missouri Valley Chapter. RMA is the 73-year old national association of bank loan and credit officers, the only banking trade association that specializes in commercial lending.

On the subject of commercial banks' rush to Home Equity Lending that results from the recent tax law change which removed practically all consumer interest deductions on federal tax forms except for home mortgage lending, Mr. Murray said banks, of course, "are very involved. If done well, it will work just fine. Make sure the people know the risks involved. The same holds true for banks; they need to know their risks on a long-term basis. One thing Home Equity Lending does is to remove the consideration for the purpose of the loan."

Mr. Murray was pressed by local media representatives for his opi-

nions on branching and interstate banking. He explained that statewide branching has been a part of North Carolina practically since the beginning of the industry in that state, so that is the system he's accustomed to working in. "Our statewide network of branches has given us a strong capital base," he pointed out. "We have one bank with 300 branches in more than 120 cities and towns.

"We have had no bank failures in North Carolina because statewide branching allows the main bank to use its capital base more efficiently. Some branches, if they had been individual banks, would have failed."

When pressed further for observations about the Iowa banking scene, Mr. Murray stated, "Iowa has had some problems in its banking business and I would observe that it would be better to strengthen your business at home before going interstate. From my own personal experience, I would be hard-pressed not to recommend statewide branching. Larger banks will do more for training their people, setting standards and operating more efficiently."

Addressing the topic of commercial lending itself, Mr. Murray said, in response to questions about debt levels and loan demand, "I think debt levels carried by many companies are unrealistically high. Some are running at three times as much debt as equity, which raises a red flag. That's OK as long as cash flow is adequate, but that could alter quickly."

Mr. Petersen and Mr. Hildebrand

concurred that loan demand is down in smaller Iowa communities, saying "it's difficult to find opportunities for credit." Mr. Hildebrand noted, however, that "our Des Moines bank (Hawkeye) has loan demand that is broad-based among manufacturers, wholesalers and real estate." Responding to a question about why Hawkeye's loan demand is higher than some other institutions, Mr. Hildebrand said, "Word gets around when you're being aggressive and that is true with us."

Mr. Murray held other meetings in Des Moines and the Missouri Valley Chapter area with RMA members. □

Stock Sale Will Position Banks of Iowa for Future

Holmes Foster, president of Banks of Iowa, Inc., announced at Des Moines headquarters last month that BofI sold 254,608 common shares at \$51.50 per share to a group of institutional investors through a private placement. Mr. Foster said the holding company also had reserved the right to sell privately up to an additional 133,741 common shares at the same purchase price before March 28. The Chicago Corporation acted as placement agent with respect to this transaction.

Mr. Foster said Banks of Iowa officials feel the improving Iowa economy means that a turnaround from the depressed economy of the past several years has been reached and "we decided to initiate this move so that equity from the sale of this stock will allow us to be properly positioned to take advantage of some opportunities that should be available."

Elected in Knoxville

Robert Grote has been elected executive vice president and a director of Community National Bank, Knoxville. Steve Johnson has been elected the bank's assistant vice president.

Elected in Fort Madison

Douglas R. Hill has been elected assistant vice president and cashier of the Iowa State Bank in Fort Madison. He joins the bank from the Community State Bank of Clarence, where he was assistant cashier.



Roger D. Petersen, Thomas B. Hildebrand and Malcolm T. Murray, Jr.

International Trade Discussed

By **ROBERT CRONIN**
Associate Publisher

EXPANDING international trade opportunities to Iowa companies was the theme of a recently held luncheon hosted by First Interstate Bank Des Moines, N.A. The featured guest speaker was Mr. Kenneth Rosenberg, president and CEO of First Interstate Trading Company, a subsidiary of First Interstate Bancorp, Los Angeles.

Discussing the potential for Iowa in the international marketplace, Mr. Rosenberg said, "We are here to serve the trade needs of the prospects and customers in this trade region." Mr. Rosenberg went to define an international trade customer: any size company engaged in exporting products; any major U.S. company with an extensive domestic network, but little or no overseas distribution; any major overseas company with little or no distribution here in the U.S.; any major overseas trading company wishing to act as our correspondent; any importer or exporter who has the connections, but lacks the financing, or any U.S. multinational company in need of our special services—counter trade and trade requiring non-traditional financial arrangements.

Robert Millen, president and CEO, First Interstate Bank Des Moines, N.A., said, "The future success of Iowa's economy depends, in

part, on increased exports of Iowa-made products and services. To that end, many public and private sector programs are being developed including the establishment of international trade centers in Des Moines and Cedar Rapids."

First Interstate Bank Des Moines is the exclusive bank of the soon to be completed International Trade Center of Iowa (ITCI). Two such centers—one in Des Moines, scheduled for completion in May, and the other in Cedar Rapids, still pending final approval—will offer both international services and many non-international services. Among the features at ITCI will be a video library center, foreign visitors center, and a communications center.

Communications services at the center will include satellite communications, TWX, FAX, language translation, electronic mail, video production, and interactive video conferencing. Also provided will be travel arrangements, legal counsel and service, brokerage information, an international library and banking services.

Through First Interstate Des Moines' trade connections and the new Iowa Trade Center, Iowa bankers and Iowa companies will get the assistance they need to compete in the international marketplace, whether it be buying, selling, financing or transporting products anywhere in the world. □

Iowa Investment Bankers Schedule Annual Field Day

The Iowa Investment Bankers Association has scheduled its Annual Field Day for May 13-14 in Des Moines. Early registrants will gather Wednesday evening for dinner at the Embassy Club. The golf tourney will be Thursday, May 14, at Echo Valley Golf Club. Further details are being sent to all members in the near future.

Office Opens in Sioux City

The Pioneer Bank of Sergeant Bluff has opened a bank office at Ninth and Pierce Streets in downtown Sioux City under the management of Bruce M. Kolbe, executive vice president and director of the bank.



B.M. KOLBE

The office will be open Monday through Friday from 9:00 a.m. to 5:00 p.m. Beginning its operations January 12, the office is staffed by Mr. Kolbe, Judy Rentel and Lisa Tielbur.

Mr. Kolbe has been employed in banking management in Sioux City for over 20 years.

A grand opening celebration was held on February 5, complete with ribbon cutting ceremonies.

New Directors at Adel

The election of three additional members of the board of directors at Raccoon Valley State Bank in Adel was announced last month. They are: William Hess, president, Iowa Savings Bank, Coon Rapids; Sarah Garst, DVM, West Des Moines, and Howard Hall, executive vice president, Raccoon Valley State Bank.

The Coon Rapids and Adel banks are affiliated in the Garst/Chrystal banking organization. Mr. Hess has been president of the Coon Rapids bank for three years and joined that bank 10 years ago. Dr. Garst was opening her veterinary practice in West Des Moines last month. Mr. Hall joined the banking group last fall after serving for many years as deputy superintendent of banking in the Iowa department of banking.



HOSTING an afternoon luncheon on international trade opportunities were, from left: **Robert G. Millen**, chmn., pres. & c.e.o., First Int., Des Moines; **J. Daniel McGowan**, v.p. - mgr., intl. div., and keynote speaker, **Kenneth Rosenberg**, pres. & c.e.o., First Int. Trading Co., a subsidiary of First Int. Bancorp, Los Angeles.

Centennial nostalgia!

Vignettes of Banking

Editor's Note: The Iowa Bankers Association observed the 100th Anniversary of its founding convention in September, 1986, and the IBA will complete its first 100 years of service on July 26, 1987. A number of Iowa bankers who are members of the IBA 50-Year Bankers Club responded to our invitation to share with other readers some of their reminiscences of earlier Iowa banking history. These vignettes will be published in issues during the Centennial Year. Veteran Iowa bankers who have special memories to share, or others who have access to earlier banking events and records that would be of interest to our readership, are invited to send us their comments. This includes bankers from other states whose stories tell of the earlier days and growth of midwest banking.

By **RICHARD E. TOOL**, Hon. Director
Farmers & Merchants Savings Bk., Manchester, Ia.
(Entered banking in 1927)

WHEN I FIRST became associated with banking in Iowa, the industry was approaching one of its most trying times which was culminated with the advent of the national "Bank Holiday." Today some people are disturbed by the number of bank failures during the past two to three years, but we who experienced the number of closings in the early '30s know what disturbance really was.

Back in the early '30s, banks were doing everything they could think of to retain the deposits they had rather than attract more, which 40 years later would be the principal objective of the bank. There was no attempt on the bank's part to become the "biggest fish in the pond." The bank's primary interest was to take care of the customers who had placed their confidence in them.

With the resources of the bank and its owners gone, the basis for the customers' confidence disappeared. A different kind of confidence developed with the establishment of the FDIC (Federal Deposit Insurance Corporation). The depositing customer looked to the FDIC as insurance for his deposits' safety and gave less consideration to the integrity and financial soundness of the bank with which he selected to do business. In today's

atmosphere, as long as there is FDIC insurance the customer seems to be more interested in where he can get the most interest for his deposit, which bank gives the most attractive premiums and where he can get the most free service.

In looking at some differences in banking away back when, compared to now, it seems to me that in those earlier days, consideration of the borrowers' ability to pay was a greater determining factor when a loan was made rather than reliance on the value of the collateral. Evidence here-of-late indicates a complete reversal of those factors. In the earlier days loans were made to the local borrowers. Deposits originating outside the community were scrutinized carefully and not always accepted. Operations were reasonably profitable as costs of doing business, salaries and interest payables included, were low. In the years that followed, those deposits that were attracted by higher interest rates, premiums, and what nots, built in a cost factor that had to be met. Lower quality loans with higher interest rates found their way into the loan pouch and outside investments with potentially higher yields became available. Brokered loans and brokered deposits developed. Incomes were increased, but so were the expenses. With the quality of the bank's assets, diminished losses became ever increasingly higher.

Some changes have occurred, but the differences in some areas remain the same. In the early '30s farm commodity prices were low. The conditions then were very much the same as they are today. Farm operators and farm owners were as discouraged and distressed as they are now.

Some violent and unpleasant situations have developed recently, just as there were violences and unpleasantness in the '30s. A few examples include: the 'penny' sales; a judge being forceably removed from his bench and threatened with hanging during a mortgage foreclosure case; farmers picketing the packing houses, dumping milk in the road-side from the trucks on their way to the dairies, and the rope around the banker's neck demanding the release of a chattel mortgage following a 'penny' sale.

I wonder what new lessons are to be learned in the operation of this business called banking? □

Avoca, Council Bluffs Banks Merge

The Superintendent of Banking of the State of Iowa and the FDIC have given approval for the merger of the Avoca State Bank with the Council Bluffs Savings Bank. The merger became effective on February 28. The decision for the merger was made by the board of directors of each bank and by Banks of Iowa,

the sole stockholder of both banks.

Thomas D. Whitson, chairman and president of Council Bluffs Savings Bank, said there will be few noticeable changes made, other than the name will be changed to Council Bluffs Savings Bank, Avoca office.

As of Dec. 31, 1986, the assets of Council Bluffs Savings Bank were \$220,601,000. The assets of the Avoca State Bank were \$24,067,000.

Gowrie Banker Dies

Maurice W. Lindquist, 75, died of a heart ailment on Feb. 7 in Tucson, Ariz. Mr. Lindquist was born in Gowrie and lived in Des Moines since 1934. He was president and chairman of the board of First State Bank of Gowrie since 1963.



Des Moines

Donald R. Runger, senior vice president of bank administration for Hawkeye Bancorporation, has been named president of Hawkeye Bank & Trust of Des Moines. He succeeds **J. Michael Earley**, who resigned to accept an appointment as president and CEO of MidAmerica Savings Bank, a \$300 million asset savings and loan in Waterloo, and that city's largest thrift institution. Hawkeye Bancorporation recently announced the merger of Hawkeye Capital Bank & Trust and Hawkeye Bank & Trust of Des Moines into one bank in Des Moines, with headquarters continuing at the Hawkeye Capital site of East 5th and Locust Streets.



D.R. RUNGER

Mr. Runger was president of Jasper County Savings Bank in Newton from 1971 to 1981. After the bank was acquired by Hawkeye, he eventually joined holding company headquarters in Des Moines.

Mr. Earley was senior vice president and senior trust officer of United State Bank in Cedar Rapids until he and his two co-owners of that bank sold to Hawkeye Bancorporation. Shortly after he went to work for the holding company, Mr. Earley was named president in 1982 of Hawkeye Bank & Trust at 24th and University in Des Moines. He assumed the presidency also of Hawkeye Capital in 1985, continuing as president and CEO when the

two institutions merged earlier this year.

Hawkeye also announced that it will move its corporate headquarters from 6th & Locust in downtown Des Moines to the building housing Hawkeye Bank & Trust at East 5th and Locust. The sale of Hawkeye subsidiaries has made enough space available at that location for Hawkeye headquarters.

* * *

Several promotions have been announced at First Interstate Bank of Des Moines, N.A.

Robert A. Shelquist, previously controller for First Interstate of Iowa, Inc., has been promoted to vice president, finance. Before joining First Interstate in 1983, he was an audit supervisor with Galinsky & Company, West Des Moines.

James L. Ross, previously operations officer for First Interstate Information Systems of Iowa, Inc., has been promoted to vice president, operations. Before joining the organization, he was with First Interstate Bank of Urbandale.



S.F. JUSTICE

S.G. VAN BLAIR

Steven F. Justice, formerly assistant vice president, has been ad-

vanced to vice president, metro commercial services division. Before coming to the bank he was the manager of consumer/real estate lending division of First American State Bank in Fort Dodge.

Stacy G. Van Blair, formerly employee benefits administrator, has been promoted to employee benefits officer, trust division. He joined First Interstate in 1985.

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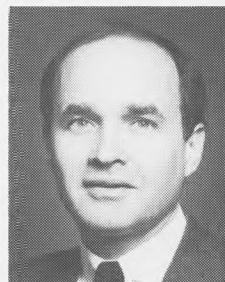
The board of directors of Banks of Iowa, Inc. has announced the election of **R. Richard Bittner** to chairman of the board. He has been a member of that board since 1979, and is also chairman of First Bank, Davenport. Mr. Bittner is a partner in the law firm of Carlin, Hellstrom and Bitner in Davenport.

* * *

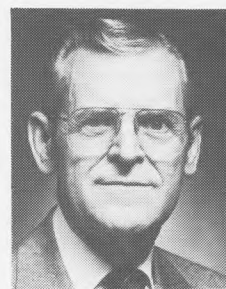
At Iowa State Bank, **John C. Burgeson** has been named president

and CEO. He had been chairman since 1984. Succeeding him in that position is **Milton L. Paul**. He has been an officer of the bank since 1955, and served as president and CEO since 1973.

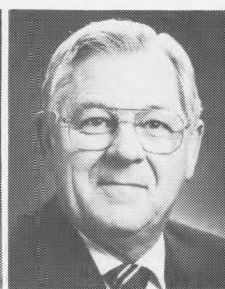
Melvin H. Nielsen has been named a director of the bank. He is the owner and president of American Agency, Inc., an independent insurance company in Des Moines.



J.C. BURGESON



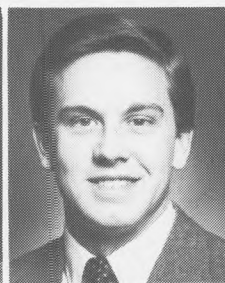
M. PAUL



M. NIELSEN

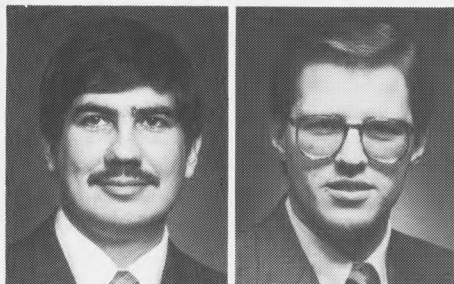


M.L. KAUZLARICH



C.B. MEYERS

In addition, **Mary Lou Kauzlarich** has been named assistant vice president. She was previously assistant cashier. Former loan officer **Craig B. Meyers** has been named assistant vice president. **John E. Fowler**, formerly assistant cashier and security officer, has been named assistant vice president and security officer.



J.E. FOWLER

D.L. NEUMAYER



S. NICHOLSON

S.C. BELL

Also at Iowa State Bank, **Dean L. Neumayer** has been named assistant cashier. **Sonia Nicholson**, who previously held that title, will have additional responsibilities as personnel officer. **Sue C. Bell** has been named assistant manager of the Hubbell office. She formerly served as a customer service representative.

* * *

Andree (Andy) Miller, personal officer for Brenton Information Systems, Inc., recently was designated a professional in human resources by the National Personnel Accreditation Institute in Washington, D.C. Ms. Miller has been a Brenton employee for the past three years. Applicants for this accreditation must pass a four hour written examination and demonstrate knowledge and experience.

* * *

William H. Brenton, chairman of Brenton Banks, Inc., has announced

the promotion of **Thea (Ted) Oberlander** to controller. Ms. Oberlander has been employed by Brenton for one year. Prior to joining Brenton Banks, Inc., she was employed as a senior manager with Peat, Marwick, Mitchell & Co. in Des Moines.

* * *

Paul H. Bartlett has been named senior vice president in the institutional fixed income sales department at Dain Bosworth Incorporated in Des Moines. He has spent the last 17 years in Iowa banking.

Farmers Mutual Hail Reports Outstanding Year

The year 1986 proved to be an outstanding year for Farmers Mutual Hail Insurance Company of Iowa in providing crop hail insurance, stated Perry Rutledge, president of the Des Moines, Iowa-based company. Mr. Rutledge reported that Farmers Mutual Hail's crop hail division wrote over \$47 million in premiums in 1986 and at the close of the year had over \$1,592,000,000 of insurance-in-force. The reported crop hail claims in 1986 exceeded 21,800 which was a substantial increase over 1985. The company's reinsurance division wrote over \$36 million in premium and the poultry division wrote over \$2 million in premium.

Farmers Mutual Hail's assets increased over \$6 million during 1986, for a total of \$115 million. In addition, the surplus as regards policyholders was increased almost \$6 million and now totals over \$74 million. For the past five years, the company's total assets have increased \$35 million, and surplus as regards policyholders to \$33 million. FMH has continued to maintain the highest possible A.M. Best rating of A+ for 25 consecutive years.

Re-election to the board of directors at the Company's 94th annual meeting included: Perry Rutledge, president; Dale DenHartog, senior vice president and treasurer, and William A. (Bill) Rutledge, secretary and assistant vice president.

Other officers re-elected are: G.W.



T. OBERLANDER

(Bill) Drey and Donald D. Bockelman, senior vice presidents; Foster Rutledge, Earl Rae and Russell S. Cross, vice presidents; Michael Rutledge, assistant secretary; Albert B. Carter, assistant treasurer and assistant vice president, and Donald R. Duwelius and Jon Christensen, assistant vice presidents.

Kathleen Lawrence Resigns Her Post at the USDA

Kathleen W. Lawrence has resigned as acting under secretary of agriculture for Small Community and Rural Development, effective May 1. She joined the USDA in 1983. She plans to return to the private sector.

Secretary of Agriculture Richard E. Lyng said, "I had counted upon the Senate's confirmation of her as under secretary and am deeply disappointed that this was not done during the 99th Congress. I respect her decision to leave us and wish her much success in whatever she chooses to do."

Departments reporting to her were the REA, FmHA and Federal Crop Insurance Corporation. She was president and CEO of the Lawrence management consulting firm before joining the USDA.

Paul E. Lindholm, vice chairman of the American Bankers Association's Agricultural Banking Division and chairman and CEO of Farmers and Merchants State Bank in Clarksfield, Minn., commented on the departure of Kathleen Lawrence by stating: "Her departure is a great loss to agriculture. She was very sincere and thorough when we worked with her. She really cared about farmers, was accessible and listened to us. She put information together thoughtfully to find workable solutions that contributed to agriculture."

United Missouri Bank Announces Promotions

United Missouri Bank of Kansas City, N.A., has announced the following promotions and elections:

Promoted to vice president were Dennis L. Robinett in the trust department, Stephen J. Campbell in the personal trust and probate division and Stephen P. Link who is responsible for trading mortgage-backed securities. Lynn Wood was



A. MILLER

PPP Constructs New Facility



THIS NEW BUILDING is headquarters for Perfect Plastic Printing Corp., in St. Charles, Ill., providing for a doubling of operations to produce credit and plastic cards that PPP furnishes the financial industry.

FOR the second time in six years, Perfect Plastic Printing Corporation, St. Charles, Ill., has outgrown its space. "As one of the nation's largest printers of credit and plastic cards, PPP has just completed the finest, most modern facility in the industry," according to James C. Uhler, a company spokesman. He said the eight-acre plot will allow even further expansion from the new, high-tech, high-security custom building.

Mr. Uhler said, "We've built-in the most practical and sophisticated security tools and systems available to protect our clients' jobs and their

confidentiality. The factory part of the new building is windowless, totally air-conditioned and humidity regulated. Its electronic surveillance system is on the leading edge of what is possible today in the industry for protection and security. All projects are totally audited and under complete security control."

PPP now has twice the space it had previously for operations, and twice the space available before for expansion before it has to tap any of the other acreage it owns. Additional state-of-the-art equipment has been added.

promoted to manager of the personal financial services division.

Elected assistant vice presidents were S. Allen Jenks in the operations department, James McLaughlin in the business development division, and Leon W. Osterhaus in the bankcard division.

Larry Donelson and Charles H. Hyer were elected trust officers in the personal trust and probate division. Elected assistant trust officers in that department were Marlys J.

Bainter and Melanie Graham-Alm. Aneta N. Ireland and Deborah Umbarger were elected trust officers in the employee benefits division. Kenyon R. Wells was elected an assistant trust officer in that department.

Elected to officers were Beatriz Cleary, municipal trading; Joyce Nelson, bond investment; John K. Howk, personal financial services, and Conley S. McAnally, building services. Louis C. Mattione and

Heather Maynard were elected assistant investment officers in the securities analysis division where they are security analysts. Stephen C. Hoover has been elected an assistant marketing officer. Richard D. Sharp, Jr. has been elected an assistant trust audit officer in the trust audit division. Elett K. Harter has been elected an assistant commercial banking audit officer in the commercial auditing division.

Sarah A. Lewis was elected an operations officer at United Missouri Brokerage Services, Inc.

United Missouri Mortgage Company announced the promotions of Reginald J. Smith to senior vice president in residential financing, Patricia K. Goins to assistant vice president in residential loan processing and secondary markets, Brian Lugar to assistant cashier in residential loans, and Connie Millbern, Tracey Monk and Mary Watson to assistant secretaries.

Promotions Announced

Rocky Mountain Bank Note, Denver, has announced the promotion of John F. Siemsen to the post of vice president and corporate controller. Mr. Siemsen joined the firm in 1983 and, most recently, held the position of director of operations accounting. He is a graduate of Northern Illinois University with a Bachelor of Arts Degree in Management and Indiana University, where he obtained a Masters of Science and Bachelor of Arts in Finance.

INDEX OF ADVERTISERS

April, 1987

American Bankers Association, Washington, D.C.	5
Bank Building Corporation, St. Louis	16
Bankers Trust Co., Des Moines	44
Carpenters Pension Fund of Illinois	62
Carroll, McEntee & McGinley, Inc.	9
Chase Manhattan, New York	10
Farmers Mutual Hail Insurance, Des Moines	8
First Tier Banks Omaha-Lincoln	6-7
First National Bank, Omaha	38
First National Bank, Sioux City	30
First Wisconsin, Milwaukee	32-33
Griffin, Kubik, Stephens & Thompson, Inc.	14
Gross, Kirk Co., Waterloo	49
IAC Group, Kansas City	21
Investment Centers of North Dakota	12-13
Iowa Bankers Insurance & Services, Inc.	47
Merchants National Bank, Cedar Rapids	2
North Central Life Co., St. Paul	15
Norwest Corporation, Minneapolis	64
Office Concepts, Ltd., Waterloo	56
Perfect Plastic Printing Corp.	29
Plus System, Inc., Denver	3
Security Pacific Financial Systems	63

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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