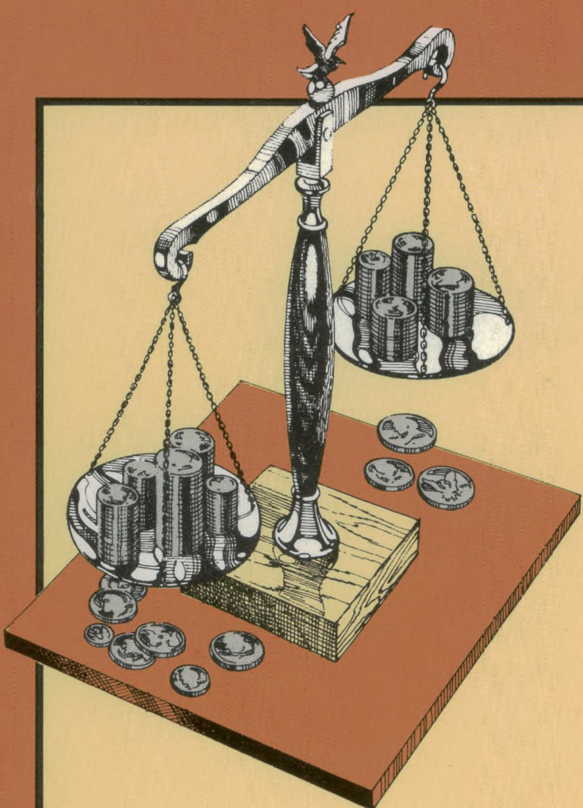
NORTHWESTERN Banker

JANUARY
1988



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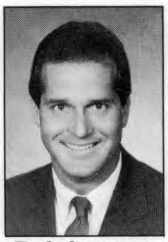
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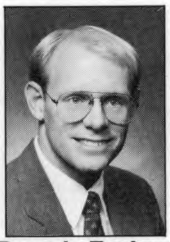
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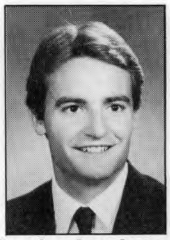
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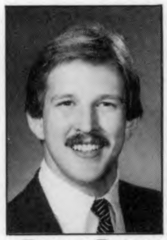
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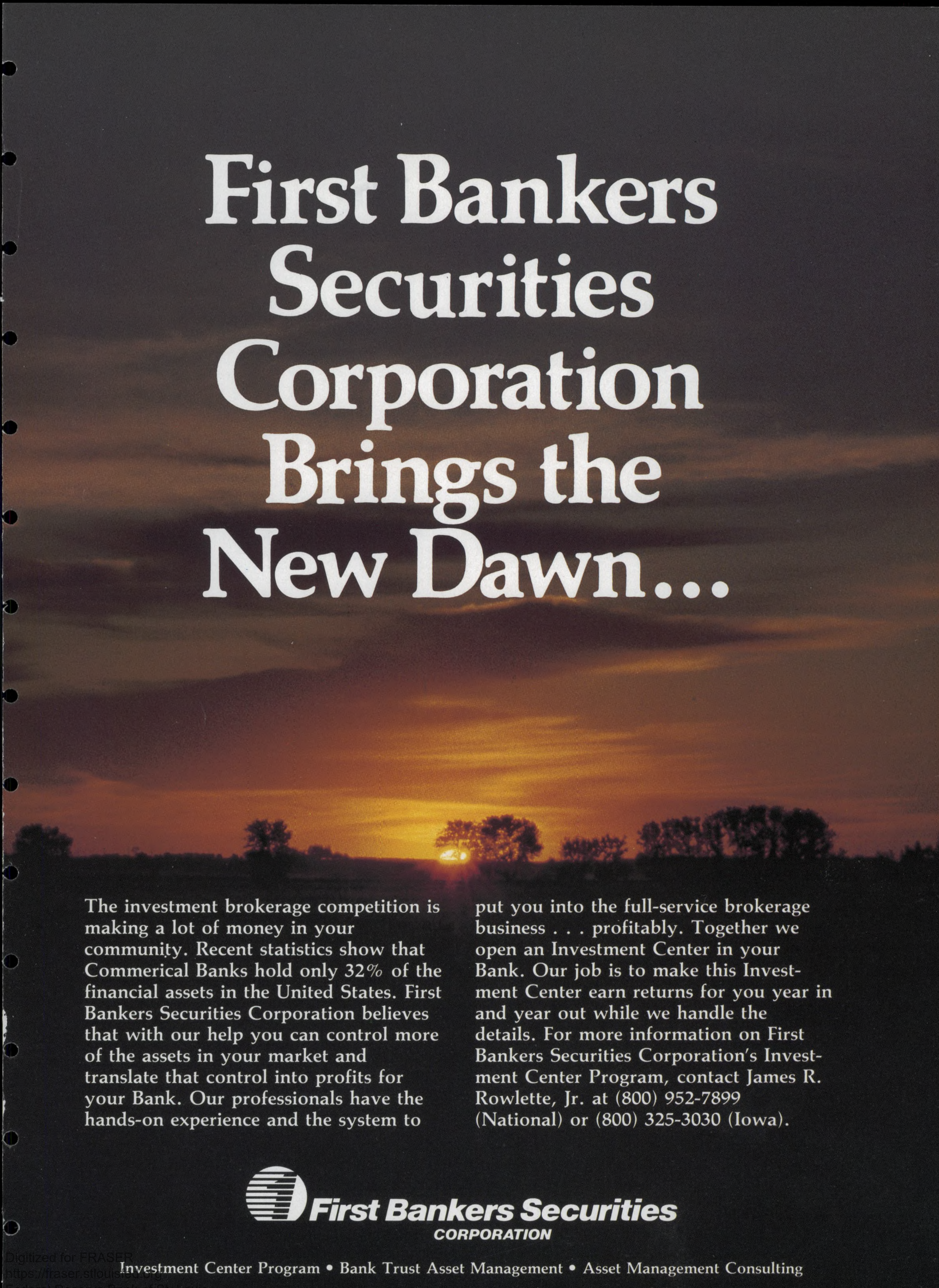

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NORTHWESTERN Banker

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ON THE COVER

WHEN Kansas Bankers Surety Company of Topeka, Kan., challenged the odds seven years ago by expanding further into the Bankers Blanket Bond business, little did its management realize how well it would succeed. One of the benefits of that growth is the new home office building (front cover) that has been constructed to handle its rapidly expanding volume. Story is on page 13.

FEATURES

DEPARTMENTS

NORTHWESTERN BANKER

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BICS Gets Award

Hogan Systems, a leading financial industry software vendor, recently presented its "Technology and Teamwork Award" to Banks of Iowa Computer Services, Cedar Rapids, Ia. BICS Pres. **Brian Scott** (left) is shown receiving the award from Hogan representatives **Gail Wright**, sr. account exec., and **Don Campbell**, gp. v.p. of mktg. They said "BICS is one of very few companies worldwide to ever receive this award!" Mr. Scott accepted the award on behalf of the BICS team at Cedar Rapids headquarters.

Record Data Appoints Wisconsin State Manager

Record Data, a subsidiary of TRW Inc., has announced the appointment of Elaine Ganos to state manager/operations for its Wisconsin statewide service center.

Prior to joining Record Data in November 1985, Ms. Ganos was a partner in both C.G. Ganos Contractors and Ganos & Co. Real Estate. She was named to her new post in September, 1987.

Ms. Ganos attended the Waukesha County Technical College where she studied retail sales and business management. Ms. Ganos currently resides in Waukesha, Wis., with her three children.

John E. Swearingen to Retire From Continental

John E. Swearingen retired as an officer of Continental Illinois Corporation, Chicago, on December 31. Mr. Swearingen will continue as a member of Continental's board of directors and chairman of the board's executive committee.

In connection with its reorganization, Mr. Swearingen joined Continental as chairman and chief executive officer of Continental Illinois Corporation in August 1984. He had retired as chairman of Standard Oil Company (Indiana), now Amoco

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Corporation, in 1983 after having been employed by that company for 44 years and serving as its chief executive officer for 23 years.

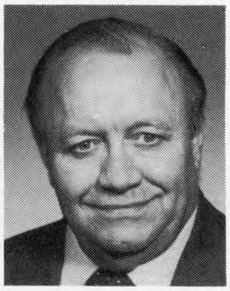
Minnesota Couple Wins RMA Writing Award

The winners of the Robert Morris Associates Award for Journalistic Excellence for 1986 were announced recently during the association's 73rd annual Fall Conference at the Hilton Hawaiian Village in Honolulu. Robert Morris Associates is the national association of bank loan and credit officers.

First place award was presented to the husband-wife team of John Burlowski and Joan Sampson. Mr. Burlowski is loan support manager for Norwest Retail Services, Inc., Minneapolis; Ms. Sampson is a family counselor, Central Minnesota Mental Health Center, St. Cloud. Their article entitled, "The Human Side of Problem Loan Workouts," appeared in the May, 1986, issue of the RMA *Journal of Commercial Bank Lending*.

Donald Bockelman Receives National Excellence Award

Donald D. Bockelman, senior vice president and manager of the Farmers Mutual Hail Insurance of Iowa/reinsurance department, received national recognition in Chicago recently, when he was presented the prestigious "Dr. George D. Young Award for Professional Excellence" by the Independent Reinsurance Underwriters.



D.D. BOCKELMAN

The Dr. George D. Young award was presented for the first time in 1985, and was established to honor involved members of the independent reinsurance underwriters organization who demonstrate excellence in their contribution to the IRU organization.

The IRU was established in 1969 by a small number of midwestern reinsurance companies. During the past twenty years it has grown to national scope, involving 106 reinsurance companies all over the United States.

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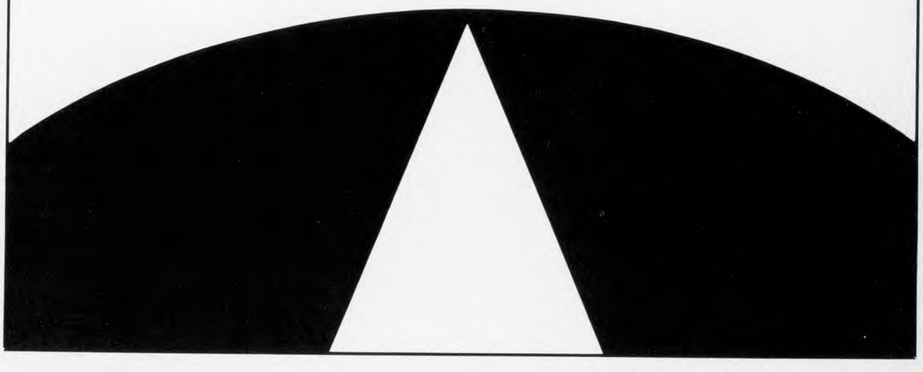

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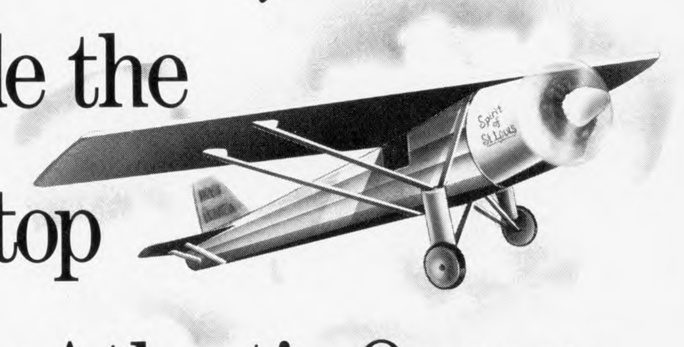
In 1927, Charles Lindbergh made the first solo non-stop flight across the Atlantic Ocean,



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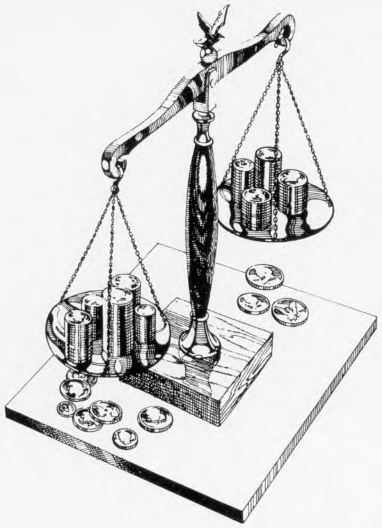

1988 Bank Officers Salary Survey

An Exclusive NORTHWESTERN BANKER Survey

COMMUNITY banks in nine upper midwest and mountain states will increase the base salaries of the top three officers in each bank in 1988 by an average of 5%, according to a survey conducted by the NORTHWESTERN BANKER.

Respondents said CEOs in banks from the smallest to those of $150 million in assets will average a 4.51% increase, as noted in Chart 1A. That chart shows increases ranging from 4.03% to 5.6% among banks ranked by asset size.

Second officers (Chart 1B) will have an average 4.85% increase, while third officers (Chart 1C) will average an even higher increase at 5.72%.

By comparison, the 1986 year-end salary survey reported in January,

CHART 1A

1988 vs 1987 Officer Salaries

Charts 1A, 1B and 1C show incomes for CEOs, 2nd Officers and 3rd Officers respectively. Each chart shows banks grouped in Column 1 by seven asset sizes. Column 2 gives a comparison between 1987 salaries and 1988 projected salaries, with the resulting percentage increase listed in Column 3 for each group. In columns 4 and 5, average dollar amounts are shown for 1987 Bonus and Other Income. The figures in parentheses directly behind these amounts show the percentage of respondents who paid those amounts.

CHIEF EXECUTIVE OFFICERS

Assets in Millions	Salary '87 - '88	% Increase '88 to '87	Estimated Bonus	Other Income
Up to $10	$39,113 -37,231 + 1,882	5.05%	$ 4,386 (92.0%)	$7,192 (72.0%)
$11-$20	45,138 -43,340 + 1,798	4.15%	8,267 (85.9%)	5,599 (36.6%)
$21-$30	56,235 -54,057 + 2,178	4.03%	7,742 (78.4%)	5,147 (31.4%)
$31-$50	57,890 -55,493 + 2,397	4.32%	8,347 (91.5%)	8,584 (28.2%)
$51-$70	63,682 -60,302 + 3,380	5.60%	7,817 (85.7%)	5,333 (28.6%)
$71-$100	81,524 -78,229 + 3,295	4.20%	15,903 (85.7%)	14,000 (28.6%)
Over $100	94,142 -90,265 + 3,877	4.30%	18,619 (50.0%)	(1)
Average		4.52%	$8,147 (85.4%)	$6,694 (35.8%)

(1) Too few respondents completed this portion of the questionnaire to compute meaningful figures.

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CHART 1B

1988 vs 1987 Officer Salaries

2nd OFFICERS

Assets in Millions	Salary '87 - '88	% Increase '88 to '87	Estimated Bonus	Other Income
Up to $10	$24,962 -23,537 + 1,425	6.05%	$2,362 (78.3%)	$3,331 (56.5%)
$11-$20	30,529 -29,184 + 1,345	4.60%	2,802 (88.7%)	2,888 (32.4%)
$21 $30	38,224 -36,562 + 1,662	4.50%	3,938 (88.2%)	4,244 (33.3%)
$31-$50	39,549 -37,865 + 1,684	4.45%	3,705 (87.3%)	6,251 (21.1%)
$51-$70	49,320 -46,805 + 2,515	5.37%	4,706 (90.0%)	5,040 (25.0%)
$71-$100	54,826 -52,445 + 2,381	4.54%	7,000 (50.0%)	7,700 (50.0%)
Over $100	71,301 -68,486 + 2,815	4.10%	(1)	(1)
Average		4.80%	$3,709 (85.3%)	$4,307 (31.7%)

(1) Too few respondents completed this portion of the questionnaire to compute meaningful figures.

CHART 1C

1988 vs 1987 Officer Salaries

3rd OFFICERS

Assets in Millions	Salary '87 - '88	% Increase '88 to '87	Estimated Bonus	Other Income
Up to $10	$18,748 -17,472 + 1,276	7.30%	$ 643 (83.3%)	$2,040 (27.8%)
$11-$20	23,896 -22,925 + 971	4.24%	1,975 (89.3%)	2,629 (26.8%)
$21-$30	29,604 -28,,377 + 1,227	4.32%	2,571 (77.6%)	3,440 (26.5%)
$31-$50	32,321 -30,828 + 1,493	4.84%	2,875 (84.3%)	4,371 (15.7%)
$51-$70	40,918 -37,720 + 3,198	8.48%	2,325 (100%)	2,813 (20.0%)
$71-$100	49,300 -47,071 + 2,229	4.74%	4,683 (85.7%)	1,000 (14.3%)
Over $100	60,577 -57,263 + 3,314	5.79%	6,802 (78.0%)	(1)
Average		5.67%	$2,553 (85.2%)	$3,157 (22.3%)

(1) Too few respondents completed this portion of the questionnaire to compute meaningful figures.

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CHART 2

No Salary Increases

This chart shows the percentage of officers who will not receive a base salary increase in 1988, and gives a comparison with similar percentages from the salary survey of one year ago.

	1988 Survey	1987 Survey
CEOs	26.8%	30.0%
2nd Officers	18.8%	24.0%
3rd Officers	17.1%	21.5%
	20.9%	25.2%

The figures below show the percentages by the seven asset categories of officers who will not receive an increase in base salary, according to the survey replies.

CEOs

Up to $10	44.0%	$51 to $70	19.0%
$11 to $20	32.4%	$71 to $100	14.3%
$21 to $30	15.7%	Over $100	12.5%
$31 to $50	28.2%		

2nd OFFICERS

Up to $10	17.4%	$51 to $70	10.0%
$11 to $20	25.3%	$71 to $100	0.0%
$21 to $30	13.7%	Over $100	25.0%
$31 to $50	20.0%		

3rd OFFICERS

Up to $10	23.5%	$51 to $70	10.0%
$11 to $20	23.2%	$71 to $100	0.0%
$21 to $30	14.3%	Over $100	0.0%
$31 to $50	18.6%		

CHART 3

1988 Salary Increases for Other Staff Members

This chart shows the percentage increases in base salaries the survey respondents plan for officers other than the top three officers shown in earlier charts, as well as the increases planned for non-officer staff.

Assets in Millions	Other Officers	Non-Officer Staff
Up to $10	5.20%	4.78%
$11 to $20	3.27%	3.53%
$21 to $30	4.44%	4.29%
$31 to $50	4.19%	4.30%
$51 to $70	4.92%	4.70%
$71 to $100	3.14%	3.14%
Over $100	4.78%	4.86%
Average =	4.28%	4.23%

1987, showed CEOs with only a 3.7% increase for 1987; second officers with a 3.95% increase, and third officers with a 4.66% increase.

Similarly, Chart 2 shows *fewer* banks are reporting "no increase" in salary for the top three officers. The chart shows that one out of four banks (25.2%) in the 1986 survey reported there would be "no increase" for 1987 for the top three officers. However, the current survey, as noted in Chart 2, shows that average has fallen to 20.8%.

This is in keeping with the improved agricultural conditions evidenced throughout the surveyed states; it also shows that despite the resurgence of the upper midwest economy, one of every five banks is still watching its salary overhead very carefully. Improved commodities and land prices, along with heavy federal farm subsidy payments, have helped many farm operators to pay off bank debt and get back on their feet.

A further study of the total completed questionnaires reveals that among banks with up to $50 million in assets, 28.4% of the responding banks report their CEOs will have "no increase" in base salary in 1988. However, that "no increase" figure for CEOs among banks over $50 million to $150 million drops to 13.9% for 1988. A study of the questionnaires shows that the larger the bank, the more likely it is that the officers will receive a pay increase.

The highest ratio of "no increase" in salary for CEOs was in banks of up to $20 million assets and many of those respondents own either controlling interest or a large number of shares in the bank. Although they apparently do not wish to increase their own salaries, but rely on potential profits to boost their income through bonuses and other income, many of these major owners have increased the pay of their second and third officers and staff.

The Questionnaire

Banks receiving the survey were asked two principal questions:

1. What is the planned salary in 1988 (for CEO, 1st Officer, 2nd Officer); 1987 salary; percent increase; estimated 1987 bonus; other 1987 income—e.g., insurance and real estate commissions?

2. Other than your top three officers, what percentage increase do you plan for: Other Officers; Non-Officer Staff?

Respondents also were asked to check appropriate asset size of their bank and give the name of their state. They were asked not to sign their names.

Chart 1

The first three charts give the 1987-88 salary comparisons for the top three officers, divided as Chart 1A (CEOs), 1B (2nd Officers), and 1C (3rd Officers). These charts are self-explanatory by reading the legend accompanying Chart 1A. Where spaces have been left blank, it was felt the minimal number of answers in those categories would not be meaningful so those figures and averages were left out.

Columns 4 and 5, listing Estimated Bonus and Other Income, include average amounts for each category from only those questionnaires that listed a Bonus or Other Income figure or stated that none would be paid. For greater accuracy, the bottom line figures represent averages for *all* replies tabulated in the columns above them and are *not* just the average of the averages shown in the columns.

SALARY SURVEY. . .
(Turn to page 17, please)

CHART 4

Relationship of Salaries Among Top 3 Officers

Showing relationship of No. 2 Officer salary to CEO salary. (E.G., 2nd Officer salary in banks under $10 million assets = 63.8% of CEO's salary.)

Assets in Millions	#2 to CEO
Up to $10	63.8%
$11 to $20	67.6%
$21 to $30	68.0%
$31 to $50	68.3%
$51 to $70	77.4%
$71 to $100	67.3%
Over $100	69.6%
Average =	68.9%

Showing relationship of No. 3 Officer salary to CEO and No. 2 salaries.

Assets in Millions	#3 to CEO	#3 to #2
Up to $10	47.9%	75.1%
$11 to $20	52.9%	78.3%
$21 to $30	52.6%	77.4%
$31 to $50	55.8%	81.7%
$51 to $70	64.3%	83.0%
$71 to $100	60.5%	90.0%
Over $100	64.3%	92.5%
Average =	56.9%	82.6%

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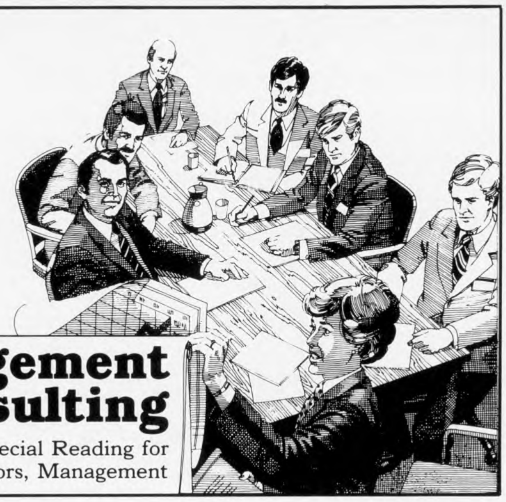

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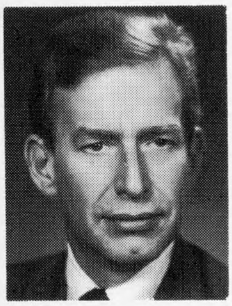

Written especially for
THE NORTHWESTERN BANKER
By **DR. DOUGLAS V. AUSTIN**
President and CEO
Austin Associates
Toledo, Ohio
and
Professor
Department of Finance
College of Business Administration
The University of Toledo
Toledo, Ohio

Editor's Note: Dr. Austin has prepared a special presentation for our readers outlining the many components that go into generating and executing a well-designed Merger and Acquisition Plan. The process applies equally to community banks that decide to join forces as it does to larger banks making an acquisition. This presentation will benefit ownership and management of the bank being sold, as well as the acquiring bank, for both sides need to be keenly aware of the intricacies that make up a fair and ideal Merger and Acquisition Plan.

Dr. Austin has segmented his presentation for our readers into three parts for easier reading: How to Design the Plan, Structuring the Transaction, and Negotiating the Deal. Parts I and II were published in previous issues. Part III appears below.

Part III: How to Negotiate the Deal

The previous two articles have talked about how to approach mergers and acquisitions and how to structure the deal. This article talks about how to negotiate the deal. I shall attempt in this particular article to give you highlights of how you should negotiate the deal, what parameters you should follow and what constraints you and the selling organization are under in attempting to negotiate the deal.

I. In order to prepare the negotiation of the deal, you should have the following documents:

1. Proposal: Many people believe that you should have a letter of invitation to dance which you place on the desk of the target bank. This proposal is for all intents and purposes worthless. If you plan to make an offer for another bank, give them a Letter of Intent or a Specific Agreement. The proposal is not worth anything and should be avoided at any cost. This does not force them legally to do anything whatsoever, and often warns them of your intent.

2. Letter of Intent: This is a document which most lawyers will tell you is not worth a cup of coffee. It does not bind the selling bank contractually, but can be used to morally bind the selling institution through appropriate signing ceremonies and photographs. Many successful bidding organizations utilize Letters of Intent, and other successful organizations skip the Letter of Intent entirely and go to the Specific Agreement to merge/affiliate. The Letter of Intent may be bypassed by those bidding organizations who have SEC disclosure requirements. If you are a bidding organization, your best strategy is to go to the Specific Agreement rather than the Letter of Intent. If you are the target bank, the Letter of Intent does not guarantee you the successful sale of your bank, so it should be avoided vis-a-vis a Specific Agreement to merge/affiliate.

3. Specific Agreements to Merge/Acquire: These agreements are contractual, and often contain provisions if one party or the other breaches. Furthermore, these often include lock up options, as well as warranties and representations by the parties which bind them to fulfillment of the contractual agreement, such as directors agreeing to vote their shares in favor of the transaction or even to a greater degree, directors optioning their shares to the buying organization. Utilization of the Specific Agreement also permits the bidding organization and the target bank to complete all aspects of the transaction contemplated, except for regulatory approval and shareholder approval, thus avoiding contractual and conceptual problems subsequently.

The necessary financial information and documents include:

1. Financial statements of all parties concerned: The financial statements of the target firm and its stock transactions if a stock deal is contemplated; the finan-

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"The exact format of how to negotiate or where to negotiate, how long to negotiate, and the timing of negotiations, should be spelled out clearly."

cial statements of the bidding organization including call reports, statements of income and dividends, 10K reports (if applicable), and all other subsidiary schedules. There is no need for personal financial statements unless the bidding organization is in incorporation.

2. In-house review of examination reports: This is a review of the target bank's examination reports inhouse. Regulatory authorities will tell you that you have no ability to access these reports. From a realistic standpoint, if you do not access these reports prior to making a bid, you are not doing your job as a bidding organization. These reports are confidential, but examination by competent legitimate bidders is considered to be sound business judgment on behalf of the selling organization. An agreement of confidentiality should be entered into to protect the examination report confidentiality from public disclosure.

3. Analysis of SEC filings and other regulatory filings: Analysis of all SEC filings of the target bank/bank holding company (if applicable). If the bidding corporation is an SEC registered bank holding company, the selling organization should examine the 10Ks and 8Ks of the bidding organization as well.

4. Analysis of annual reports and other financial documents.

A chronological listing for the steps involved in putting the deal together include:

1. Initial contact: This can be done from the CEO of the bidding organization to the CEO of the target organization, but this often results in prolonged stalling and many lunches with no fruitful results. I highly recommend that the initial contact be a formalized Letter of Intent sent to the board of directors of the target organization at their homes, rather than at the bank, so that all know that their duty of care is to be exercised from that moment on. This initial contact can then be followed up by negotiations between the parties.

2. Set up the negotiating in groups: Groups should be small, no larger than three per side, and utilize the best individuals that you have on your boards of directors and/or management to accomplish this purpose. These individuals should be objective, intelligent, and work toward the achievement of the objectives of the negotiations. Select individuals who will have the time to negotiate, rather than selecting people because of their titles and/or previous status.

3. Negotiation framework: The exact format of how to negotiate or where to negotiate, how long to negotiate, and the timing of negotiations should be spelled out clearly. This process should have a beginning and end, and not be prolonged for more than one month. If the process continues, the target organization will wallow in the water and never recover from this lack of momentum. The bidding organization has the advantage of being able to do more than one bidding negotiation at one time, while the target organization usually has a distinct disadvantage.

4. Negotiating the process itself.

5. Setting up a time schedule for accomplishing the transaction: See Item #4 above. A prolonged negotiation and/or "waltzing" will only be detrimental to both the bidder and especially to the target organization.

6. Utilizing professional assistance: The bidding organization will probably have their own team of inside and outside professional assistance. The target organization should quickly obtain outside legal counsel, financial counsel and/or investment banking assistance in order to protect itself. It only sells once, and it should sell on the best possible terms in line with its fiduciary responsibility.

7. Examining the appropriate documents and records of each party before the proposal or the signing: If the target organization is worried that the bidding organization will not buy the organization after it has signed the Letter of Intent, then it should permit an examination of the books and records of the target organization before signing anything. The last thing that the target organization wants is disclosure and then failure to consummate the transaction. If the bidding organization is concerned about the quality of the target organization, it should inspect the books and records prior to signing the Letter of Intent and/or Specific Agreement to merge/acquire in order to protect its interest and its reputation as a successful bidder. This aspect can only be analyzed based upon a case by case review of the statistics of the organizations involved.

Before signing a letter of intent or a specific agreement to merge/acquire, the following must be clearly delineated:

1. Make sure that you know the structure of the transaction and the impact upon your bank or bank holding company at the time of consummation. Is it a merger? Is it an acquisition? Will you end up a bank or a branch? Make sure that you are in agreement as to how you will end up.

2. Use appropriate timing: Bidders and the target should set forth a time schedule for signing the Letter of Intent and for setting up the entire transaction to the best that they can control it. This time schedule should be appropriate for the workload to be done from both sides, but it should be done efficiently and as quickly as possible.

3. Move along quickly and with accuracy; have as little time in between steps as possible.

A preplanning timing schedule is paramount and should consider:

1. Set up a time schedule: This should be mutually determined by the target corporation and the bidding corporation. It may sound dumb to have this on the outline, but you would be surprised how many mergers or acquisitions are attempted to be handled efficiently without a timing schedule on behalf of either party. The setting up of a time schedule really assists all par-

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ties in determining if the transaction is to be done and who the responsible parties are.

2. Flexibility of the time schedule: The timing schedule must be flexible to take into consideration investment and/or business problems that may arise during the course of the application, proxy material preparation, SEC registration or shareholder vote process. You should always build in some flexibility to the timing schedule, but don't let it bend so much that it breaks.

3. Following of the time schedule as much as possible: This seems self-evident, but this is where the breakdown always takes place, and there should be one person responsible for monitoring the time schedule and making sure that all parties responsible for their work are in accordance with the time schedule.

4. Consideration of administrative hang-ups and problems arising from data insufficiency and/or inconsistencies; and

5. Making sure that all parties realize what the time schedule is.

"Make sure the timing of the transaction is efficient and is followed as closely as possible by all parties."

The overall general items to be negotiated in a merger acquisition include:

1. Specific price: The price may be different if it is fixed in cash or fluctuates in stock — experts can assist you in determining when is the price that you want.

2. Structure of pri ıng: This means are you going to take cash, debt securities, preferred stock or common stock? Are you going to get a combination of same? Do you know what you are getting, and is it worthwhile? You need to make sure that you understand all of these prior to signing the Letter of Intent or Specific Agreement.

3. Specific structure: Will you be a branch or a bank? Will you be a holding company affiliate or will your people disappear into a bank? You must know your structure in order to determine whether your bank will disappear or not. If this is important to you, make sure that you bargain for it at the very outset.

4. Organization chart of resultant bank/BHC.

5. Timing of the transaction: You bargain for this based upon whether you want to close quickly or slow down the close for tax reasons or other appropriate business purposes.

6. Head office location: Sometimes this gets sticky, since neither group wants to give up their head office. You might want to pick a neutral site, such as a branch or administrative building.

7. Board of Directors of resulting organizations: The bidding corporation should allow target corporations to have a representation on the board, based upon the relative size of the organizations. Negotiate for inclusion on the board of directors, but not necessarily named individuals. It is better to be represented rather than not at all, assuming they don't like the current directors of the target organization.

8. Selection of the name for resultant organization.

Other considerations include:

1. Operational items;

2. Correspondent bank relationships;

3. "Back-Room" operations/services;

4. Banking hours;

5. Personnel matters;

6. Consumer/commercial loan issues;

7. Trust services offered by resultant organization;

8. Accounting/internal control procedures;

9. A fixed asset analysis; and,

10. Other miscellaneous issues such as legal counsel and outside auditing firm selection.

Items to consider in regard to publicity and/or disclosure of the agreement:

1. The letter of intent;

2. Specific agreement to acquire and/or merge;

3. Any requirements for disclosure; and,

4. Work out the publicity, press releases, and shareholders' material together.

The appropriate steps after the announcement of the transaction include:

1. Preparation of the applications;

2. Submission of applications;

3. Disclosure to shareholders/other parties;

4. Preparation of the proxy materials;

5. Any special shareholders' meeting(s) necessary;

6. The SEC registrations; and,

7. Blue Sky registration notices, if necessary.

8. The necessary steps upon consummation of the proposed transaction are:

(a) Selection of the appropriate day;

(b) Making sure all the forms are ready;

(c) Liquidation/elimination by operation of law of one party or more;

(d) Tying the loose ends together;

(e) Press releases and public relations on consummation of the transaction; and finally,

9. The problem of dissenters: This is a subject unto itself. However, do not panic if there are dissenters. They are permitted by law to dissent and they have their rights. Utilize your legal counsel to assist you, bargain before you have to go through the approved court and/or Comptrollers dissenters' appraisal process and consider the dissenters' process just another cost of doing business. The best thing to do is to keep the dissenters' process nonemotional, just financial, and understand that many times the dissenters find it the easiest way to get their money out of their bank/bank holding company stock. The dissenters' process is significant to them, but unless you have 22% that have dissented, it is usually very insignificant to you.

This article has talked about how to negotiate a merger/acquisition transaction and the steps and procedures you must take into consideration in performing an efficient merger. Several items should be restressed for your remembrance:

1. Make sure that the timing of the transaction is efficient and is followed as closely as possible by all parties. Falling way behind will bring you nothing but grief from the shareholders involved;

2. Use professional legal counsel, outside financial consultants, investment bankers, and external auditing firms to assist the transaction. They will be working for the bidding organization and if you are a target

MERGERS AND ACQUISITIONS. . .
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CONTINUED business growth resulted in the construction of this new high-tech headquarters building in Topeka for Kansas Bankers Surety Company.

Cover Story:

New Building in Topeka Is Tribute to Leadership of Kansas Bankers Surety

WHEN most insurance companies were withdrawing from underwriting of Bankers Blanket Bonds in the early to middle 1980s, one insurance firm that had been committed to the bank bond business for 70 years stood its ground. It perceived correctly the retreat by competitors as an opportunity. As a result, that firm—Kansas Bankers Surety Company—has expanded its book of business from three states to nine and now serves 16% of the banks in the United States. This growth in volume, as well as expertise in high-tech servicing of its business, led directly to the need for the new and larger headquarters building that KBS now occupies in downtown Topeka to keep pace with its rapid growth.

D.M. TOWLE

The success story of how Kansas Bankers Surety rose to the challenge facing the banking industry it serves is a tribute to the innovative and creative leadership furnished by President Donald M. Towle and his staff of bonding professionals. A review of the past several years shows how Kansas Bankers Surety stepped in to underwrite the Blanket Bond business abandoned by the old-line companies.

When the farm economy collapsed in the mid 1980's and bank failures increased from ten per year to over one hundred per year, most bonding companies wanted nothing to do with farm banks and community banks in farming states.

Those few companies that continued to provide bonding for farm banks increased their underwriting requirements and premiums beyond the reach of many banks in farming communities. One bonding company even required banks to pay a $5,000 annual inspection fee and did not even guarantee that bonding would be provided after the inspection was completed and the fee paid.

The Kansas Bankers Surety Company stepped into the breach caused by the other bonding companies' withdrawal from bonding banks in farming states. The company, which is owned by bankers and directed by bankers, recognized that these were trying times for everyone. But, more importantly, it recognized that bankers were not more dishonest and did not have more crimes committed against their banks just because the farm economy was in a deep depression.

The Kansas Bankers Surety Company, which was chartered by Kansas bankers in 1909, had expanded into Missouri and Nebraska by 1981. By 1985, the company was providing bonding for over 93% of the Kansas banks, 73% of the Nebraska banks, 66% of the Missouri banks, and 25% of the Wisconsin banks.

During 1985 the company began providing bonding for banks in Colorado, Oklahoma, and Wyoming. The following year it began bonding banks in Iowa and South Dakota. By November, 1987, KBS was providing bonding for over 16% of the banks in the United States, even though it was operating in only nine mid-western states.

The confidence and trust in the bankers of the economically depressed midwest during a time when no one wanted their business paid well for the company. In August, 1987, the company moved into its new completely automated headquarters building in downtown Topeka. It is so automated that at the touch of a button, consolidated call reports for the last five years are available in seconds on one computer monitor for any bank in the nine-state region. That automation and an outstanding staff provide one-day service for premium quotations and pay claims on the same day that the company receives the information necessary to pay the claim.

The new headquarters building in Topeka reflects the evidence that the Kansas Bankers Surety Company is a real success story of the banking industry in the midwest. It is truly a unique company because bankers chartered it, own it and serve on its board of directors as it continues to serve their banking industry. □

Joins Heller Financial

Heller Financial Inc., Chicago, announces that David K. Zwiener, has been named senior vice president of the company, as well as for Heller Overseas Corporation and the parent Heller International Corporation. He is based in Chicago, with responsibility for all treasury and long-term activities. He was previously with Kimberly-Clark Corporation, Ford Motor Company and Mellon Bank, N.A.

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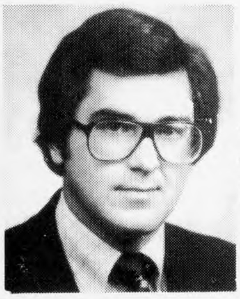
Mergers and Acquisitions



Written especially for
The Northwestern Banker
By **ROGER M. BEVERAGE**
Attorney at Law
Wolfe, Anderson & Beverage
Lincoln, Nebr.

Editor's Note: Because the author has had extensive experience working with Nebraska banks as both an attorney and bank director, he was invited to share his expertise with our readers on this important subject. He was asked to give a thorough overview of this critical matter, so his comments are presented in two parts. The first appeared last month, while the concluding portion appears below.

Part II

Fiduciary Duty

Perhaps the most alarming possibility for banks to consider involves allegations that the bank breached its fiduciary duty to the borrower. Generally speaking, the relationship between a bank and its borrower, standing alone, is not a fiduciary relationship. Such a relationship involves a special trust or confidence, and normally the practice of lending money to someone simply falls outside of the confines of this definition.

Some states do not recognize an independent cause of action for breach of fiduciary duty but do authorize actions for breach of trust or confidential relationship.[6] The importance of identifying the true nature of the relationship is found in the difference between the duties of the parties if a fiduciary relationship exists and those same duties if the relationship is something else.

If you are found to be "just" a lender your duty is to deal with the borrower in good faith, to be honest and to not misrepresent facts. If, on the other hand, you are found to be a lender who also falls into the category of a fiduciary, you have an additional duty to disclose all facts or volunteer certain information. The burden of proof may shift to you as the lender, to prove that your fiduciary duty was not breached and, further, to prove that: (1) the bank acted in good faith; (2) gave impartial advice; (3) the borrower freely entered into the transaction, without any duress on the part of the banker; and (4) it was a fair deal.

The lender who is found to be in a fiduciary relationship with a borrower does not have the freedom to act in the best interests of the lender at all times. A fiduciary is required to act in the best interest of the benefi-

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ciary, in this case the borrower. Honest judgment and advice are minimal requirements, and any potential conflict of interest must clearly be disclosed and probably avoided.

A lender is normally entitled to do many things in the ordinary course of business which would not involve any misconduct. Those same actions as a fiduciary may subject the lender to liability for damages. For example, any situation in which the borrower alleges that the bank exercised dominant influence over him, or that the borrower placed great stock in the banker's skill and integrity, or that the borrower received advice from the banker and relied on that advice, opens up the door to a claim of breach of fiduciary duty. The key problem is that the burden of proving you are a "good guy," that the deal was fair, arms-length and done in good faith falls upon the bank, not the borrower.[7]

Some courts have begun to characterize the relationship of lender and borrower at least as quasi-fiduciary in nature, resulting in a higher degree of care which is imposed on the bank in all of its dealings with the borrower. It is one of the problem areas that a bank encounters if it gets too closely involved with the debtor's business. And advertising themes which suggest that the bank is "a partner" with the borrower provide some evidence that the bank is intentionally trying to persuade its customers that the relationship is more than simply the act of lending money by one party to another.

Control and Duress

The issue of control is usually found when dealing with a deteriorating credit which shows increased risk of repayment. Weak credits are the kinds of loans upon which examiners normally focus and ultimately classify in some manner. Such an attitude on the part of examiners often times causes bankers some distress and, in an effort to relieve that distress, some bankers may be tempted to overreact.

Any type of excessive control over management or interference in the operations of the borrower's business may subject the lender to liability for any resulting damage, including financial loss, which may be suffered by the borrower. Perhaps as significantly, any such action may subject the lender to liability for some of the borrower's third-party obligations of which the lender may not have even been aware.

The *Farah Manufacturing* case is a horror story which shows what not to do. In that case, the lenders, literally, tried to run the business and, in the process, ran it into the ground. The principals regained control, operated the company and sued the lenders. Damages in the amount of $18,000,000 were awarded by the jury, based upon proof that the lenders committed fraud, were guilty of duress and tried to control the borrower's operations.[8]

No Clear-Cut Definitions

There are really no clear-cut definitions of what constitutes control, duress or interference. It should be sufficient for banks simply to be aware that any efforts to remain on top of a loan are potential pitfalls. Written documentation between the bank and the borrower must be reviewed carefully by the bank and its counsel in order to avoid potential trouble spots. Any restrictive covenants included in the loan agreement, for example, can cause problems if they are inartfully drawn. If those restrictive covenants place the bank in the position of being able to exert dominance or control, or in the position of making decisions for the borrower in terms of the borrower's operation, potential liability exists.

Any attempt to "suggest" or otherwide control management directives or other policies and personnel is normally another area which is certainly of interest and concern to the lender, but which may expose the bank to potential problems. Similarly, and perhaps more significantly, any type of financial controls exercised by the bank which determine who gets paid and who doesn't may cause problems for the bank. Obviously, the bank's primary concern is to have its loan(s) repaid. Provisions in the loan agreement must be carefully worded so that it is the *borrower's* obligation to make the appropriate decisions.

Any type of economic coercion can be construed by a jury as evidence of control. Bankers have been known in the past to suggest that notes will be called, or no further advances will be made, unless certain action is taken by the borrower. If that action can be tied directly to damage to the borrower, the bank has opened itself up to a claim of control and duress.

Obviously, any type of active participation in the day-to-day operations of the borrower's enterprise, or any power to vote stock or make any other type of management decisions, are areas which are ripe for making such a claim as well. And acceleration clauses which are standard provisions in most loan agreements present some dangers for bankers. Courts are simply not going to permit them to be used arbitrarily or solely for the commercial advantage of the creditor. If the facts make their use unjust or oppressive, there is an incredible danger to which the bank is exposed.

Oral Contract

Simply stated, an allegation involving an oral contract means that the borrower is claiming he had a separate deal with the lender. Regardless of what the written documents say, the banker assured the borrower in some ways that it was the oral agreement which was important, not the written documents.

Most bankers tend to disbelieve statements that a borrower may be successful in alleging and proving an oral contract which nullifies the written documents. Admittedly, oral contracts are hard to prove, but if the borrower can get to the jury and let them decide the

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[6] *See, e.g., Vogt v. Town & Country Realty, 194 Neb. 308, 231 N.W.2d 496 (1975); Linge v. Ralston Purina Co., 293 N.W.2d 191 (Ia. 1980).*

[7] *See, e.g., Kurth v. Van Horn 380 N.W.2d 693 (Ia. 1986), setting forth that a separate law claim for breach of fiduciary duty may exist. See also restatement (Second) of Torts §874: one standing in a fiduciary relation with another is subject to liability to the other for harm resulting from a breach of duty imposed by the relation. Actual dishonesty and intent to deceive are not essential elements of such a claim.*

[8] *State National Bank of El Paso v. Farah Manufacturing Co. 678 S.W.2d 661 (Tex. App. 1984).*

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issue, the chances of the borrower's success improve *substantially*.

The Yankton PCA case[9] is one which demonstrates what can happen. A simple replevin action seemed to be in order when the debtors defaulted on some $500,000 in loans. The documents made it plain that the PCA should "win." But the Nebraska Supreme Court said the borrowers were entitled to a jury trial on the issue of whether there had been a separate, different contract which included an agreement to advance additional funds for future operations. The borrowers claimed lost profits and other damages in excess of the debts they owed to the PCA.

The point is, *nothing* is absolute when it comes to determining what the agreement really is between the parties.

Waiver/Equitable Estoppel

The theories outlined earlier in this article are generally used offensively. The theories of waiver and equitable estoppel are generally *defensive* and are used by borrowers to prevent the bank from enforcing obligations because the lender has acted in a way which is not fair. Based on either actions, or words, or both, the lender has forced the borrower into a certain position with respect to a loan obligation and has induced the borrower to act in a certain specific way which makes it unfair to permit the lender to collect on the loan.

The claim of equitable estoppel or waiver may take a form which is similar to other theories. For example, the borrower may claim that the lender made false representations and concealed facts which induced the borrower to act in certain ways. Such allegations are similar to claims of fraudulent or negligent misrepresentation, and even breach of fiduciary duty. If the court believes the evidence that the lender acted in a "bad way" it may not be able to enforce its written notes.

Normally, these theories are utilized in every lawsuit filed by a bank against its borrower. Often times they are successful.

Credit Inquiries

Banks have an increasing exposure to potential problems in situations involving a credit check by a third-party on one of the bank's present or former customers. The allegations against the bank, by other banks, retailers, wholesalers, potential investors and others, may take the form of fraudulent or negligent misrepresentation, breach of good faith and breach of a confidential relationship. Failure to use normal banking practices or standards may very well result in a claim that a bank breached its duty to an inquirer about a particular borrower or his operation.

Any response to a credit inquiry must be accurate and complete. But it is important to understand that not telling a lie is not necessarily the same as telling the truth. On any credit inquiry, you should always verify the source of the inquiry and the purpose for the call. Facts should be verified before any information is given, and subjective issues should be avoided at all costs.

Unless you are actually in the business of fortune telling, don't try to predict the future. And if you do not know anything about the particular borrower (or some other bank officer knows more than you do) route the inquiry to the appropriate person.

Above all, document any credit inquiry of any kind in the borrower's file. It may not seem important at the time, but it will pay dividends three or four years later if a lawsuit is ever filed against you or the bank.

Conclusion

You may have noticed that many of the theories on which lender liability claims are based have a number of similarities. While there is no one solution to all of the problems which the various theories present, there are some general approaches which you can take to minimize potential exposure.

One of the best things you can do is to use a loan processing software package like BankLaw™ which not only provides you with adequate documentation and checklists, but makes sure it is in compliance with state and federal banking laws. In addition, your bank should have a legal audit by an outside firm to point out potential problems which already exist.

As a practical matter, here are some of the basic procedures which, if followed, should reduce the element of risk for you and your bank if one of these lawsuits should occur:

1. Don't do anything precipitously. Even though your documents permit you to call a loan if you "deem yourself insecure," don't do it without plenty of notice to your borrower. Similarly, if you have had a practice in the past of honoring overdrafts, don't change course quickly, without notice to the borrower.

2. If you make a commitment for financing, follow through with it. Make sure your commitment letter details the precise terms of the parameters for the commitment and if there are any caveats, make sure they are fully and completely disclosed.

3. Document your loan files as much as possible. You should remember that a jury needs to understand how the bank got from point A to point B with its borrower. Three to four years after the fact sometimes makes it difficult to recall each and every step along the way. If your files contain extensive comments and summaries of conversations, you will not only be helping yourself with examiners but you will also be clarifying the history of your bank's relationship with the borrower in question.

Loan processing software, like BankLaw™, will enable you to maintain credit files which are clean, detailed and accurate.

4. Remember that your course of conduct can neutralize anything you may have in your loan file or in your documents. Your loan policy should not only be in place for the bank but should be followed. Any deviation from existing policy should be specifically noted, together with the reasons for such deviation. One of the best devices which counsel can use is to find instances where the bank's policies are being totally ignored by management. It has a significant impact on the bank's credibility.

5. Keep the lines of communication with your borrower open and honest at all times. It is all right to

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[9] *Yankton Production Credit Association v. Larson 219 Neb. 610, 365 N.W.2d 430 (1985). See also, National Farmers Organization v. Kingsley Bank 731 F.2d 1464 (10th Cir. 1984).*

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counsel your borrowers, but you must *never* allow the bank to be put in the position of making decisions for them.

6. Don't threaten or coerce your borrower in an effort to get him or her to do your bidding. If the loan is in default, for example, either call it or don't call it. But do not keep threatening to call it to "encourage" the borrower to take a certain course of action.

7. If you are going to change the rules of any relationship with your borrowers, make sure you communicate that change well in advance of its actual implementation. If, for example, you have neglected events of default in the past, you should be particularly careful about seizing upon such events to enforce the loan obligations.

8. Sometimes oral agreements are inevitable. If you make them, you must remember to follow up immediately in writing with the borrower so that both of you understand what the oral arrangement is. Unless there is some evidence to that effect, it boils down to his word against yours.

9. It goes without saying that you should be honest in your dealings with the borrower at all times.

10. Finally, don't be reluctant to check with your lawyer in any loan situation. I know most bankers hate to pay lawyers, and incur what they may deem to be unnecessary legal expense. But it is much easier to take corrective action *before* a relationship blows up than *afterwards.* Bankers have enough problems these days dealing with increasing competition and the implementation of deregulation. By following some of these guidelines you may be able to ease the daily pressures you are facing. □

MERGERS AND ACQUISITIONS. . .
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organization, you need all the help you can get for the one time you decide to sell.

3. Never work out a negotiation with only one bidder. You may breach your fiduciary duty as directors of a target bank if you deal with only one bidder, unless you are absolutely sure that the price and the terms you receive for your shareholders are the best from the one individual bidder.

The entire premise of this article has been based upon negotiating with the winning bidder, not the entire merger/acquisition sale process. This author very seldom recommends that a single seller deal with a single buyer and the breach of fiduciary duty is the major reason for not doing so. Please keep in mind that all bidders want to deal with you one on one, but from the selling standpoint, you want to make sure that you have the best possible terms for the one time you sell out. Therefore, this entire article has been based upon you accepting a successful bid from a bidder and then discussing how to negotiate thereafter. □

SALARY SURVEY. . .
(Continued from page 9)

Chart 2

Chart 2 flows from Question 1 responses and shows the percentages of responding banks that show "no increase" in base salary for 1988. The percentages from the salary survey of a year ago are included for comparison. This chart also includes a breakdown by asset size of the "no increase" responses for the top three officer categories.

Chart 3

Chart 3 shows the percentage increases in base salary scheduled for Other Officers and for Non-Officer staff. These average increases are listed by asset size for both categories. These increases average 4.28% for Other and 4.23% for Non-Officer Staff. In the salary survey of a year ago, Other Officers were given an average increase of 3.25% and Non-Officer Staff people were given an increase of 3.8%.

Chart 4

This chart shows the relationship of salaries between the 2nd Officer and CEO, as well as the 3rd Officer with the CEO and 2nd Officer. For comparison purposes the overall averages from the survey of a year ago are included. Those averages show a narrowing of the gaps among the first three levels of officers, which ties in with the fact that second and third officers, as noted in Charts 1B and 1C are receiving higher percentage increases in base salary than the CEOs.

During the past 10 years, the NORTHWESTERN BANKER Salary Surveys show that the relationship of the 2nd Officer's salary to the CEO's salary has ranged between 68% and 71%. The 3rd Officer's salary in relation to the CEO was in a range from 52.3% to 56.7%, and to the 2nd Officer was in a range from 74% (1979) to 82.6% (1983). Consequently, 3rd Officers appear to have gained more ground in the past decade, probably reflecting their growing responsibilities with the growth in bank size. □

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James R. Jorstad, pres., Hayfield
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Norwest Business Trends Speakers Take Optimistic View of '88 Economy

By **BEN HALLER, JR.**
Publisher

A RECORD turnout of more than 700 bankers and spouses attended the 29th annual Executive Management Conference hosted by Norwest Bank Minneapolis and Norwest Corporation at the Hyatt Regency Minneapolis early last month.

Guests were welcomed at the opening session by John Sampson, senior vice president of the financial institutions division who described the "momentum" achieved by his division in the correspondent bank business. In a similar vein, James R. Campbell, president and CEO of Norwest Bank Minneapolis, said at the banquet that evening, "We're committed, we like this business, and we want to grow in it."

Norwest Corporation Chairman Lloyd Johnson added his welcome to guests at the banquet and noted that "there are more than 700 people in attendance this year, the largest crowd ever to attend this annual Conference." He added that Norwest is "the largest correspondent bank in the area with 1100 to 1200 correspondents."

Mr. Johnson was joined at the platform at his request by Richard Kovacevich, executive vice president of Norwest Corporation, Mr. Campbell, Mr. Sampson, Vice President Richard Erickson who was again in charge of planning arrangements, and several others to lead the entire banquet gathering in singing a traditional Christmas song.

When the program started just after 1:15 p.m., Mr. Sampson introduced Bernard Kalb as the opening speaker. Mr. Kalb is a former assistant secretary of state for public affairs. He was the State Department's spokesman for two years until resigning in 1986 to return to his original career as a journalist. Mr. Kalb has served in overseas and domestic posts with the public media for more than a quarter of a century.

Mr. Kalb spoke in depth about the visit of Russian General Secretary Mikhail Gorbachev to Washington, D.C., which was just concluding at the time the Conference was held. He said "the main thrust for his visit is the strangling condition of the Russian economy. To move the country he must loosen the screws, do what needs to be done to transfer the capital assets of his nation from defense production into the industrial and social productive stream." He also stated, "Secretary Gorbachev is meeting today with American businessmen, looking for American technology and know-how. He wants trade, investment and technologies. These are the real prizes he seeks here—not the INF Treaty."

He described the public relations blitz staged by the Russians and Mr. Gorbachev himself in advance of and during the Conference, to win over the American press and people. He said the General Secretary came to this nation "with three negative pieces of luggage: 1. He was hesitant on the summit. 2. He failed to reveal his goals for the nation on the 75th anniversary of the revolution. 3. The firing of Yeltsen, a strong and popular party member."

Popular Dr. Sung Won Sohn, senior economist for Norwest Corporation, gave his report on the "Economy of Today" as the second speaker. Much time was spent on events surrounding the October 19 "Black Monday" stock market crash of more than 500 points. In one of the many interesting charts he displayed, Dr. Sung showed that since 1950 there have been five downturns in the Dow-Jones average, but no recession. Consequently, no one can predict with certitude which direction the economy will go in coming months. One reason, he noted, from another chart, is the distribution of stock ownership, with a high majority being held by relatively few people and institutions. An ef-


PARTICIPANTS in the 23rd Annual Norwest Executive Management Conference included, left to right: **Lloyd Johnson,** chmn. & CEO, and **Dick Kovacevich,** exec. v.p., Norwest Corporation; **Jim Campbell,** pres., Norwest Bank Minneapolis; **Robert L. Rasmussen,** v.p. & mgr., community bkg. div., Norwest Bank Minneapolis; guest speaker **Bernard Kalb,** former Asst. Secy. of State, and **John P. Sampson,** sr. v.p., Norwest Bank Minneapolis.

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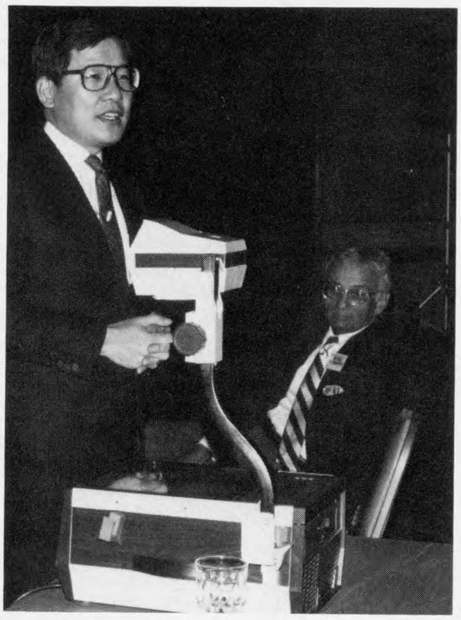
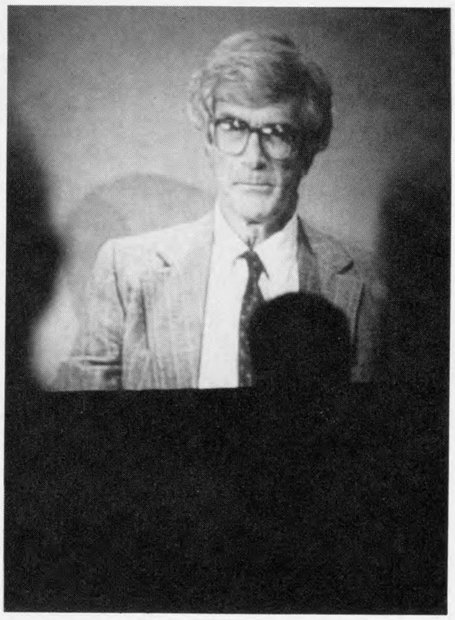
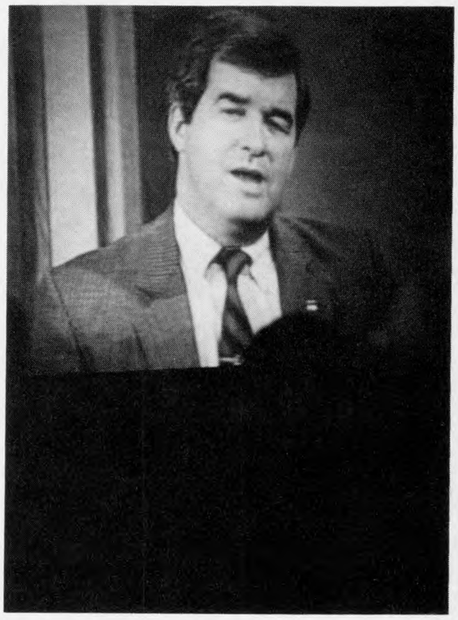

LEFT—Norwest Corporation Chief Economist **Dr. Sung Won Sohn** gives his economic report. CENTER—**Sen. Rudy Boschwitz** of Minnesota speaks to the crowd via satellite on a big screen in the ballroom. RIGHT—Following the Senator on the screen **Mark W. Olson,** immed. past pres. of ABA and pres. & CEO of Security State Bank of Fergus Falls, Minn.

fect on long bond rates can be brought about by a slowdown or recession. Affecting this tug of war for bonds, he said, are two things—whether a *fear* of recession develops among the public, and dollar depreciation. If the two come together, he noted, there is a loss of confidence.

Later in the afternoon, Minnesota Senator Rudy Boschwitz was brought to the ballroom's large screen by satellite from Washington, D.C. This was a repeat performance for him at the Norwest Conference. Sen. Boschwitz was present in the East Room of the White House for the signing of the INF Treaty. He said "we are to be briefed (in the Senate) tomorrow morning on the Treaty and I *think* it is one we should support." He stressed that this is "our first nuclear arms agreement to reduce weaponry. Two launch groups of weapons will be disarmed. Because the entire group of weapons is to go, it will be easier to determine if the Treaty is being kept because this type of weapon can be identified, so, if we see *any* of them then it's a violation. From this point, we can hopefully move to other areas of arms elimination." He noted however, there is no way of imposing penalties if the treaty *is* violated.

Sen. Boschwitz was on the conference committee to iron out Senate-House differences on the Farm Credit System rescue bills. He endorsed the secondary market as a part of those bills. Referring to the budget, he found it "disappointing—I am disappointed in the President and in the Congress." He indicated he favors an across-the-board freeze in expenditures without a tax increase. He pointed out that when Washington officials and observers talk about budget cuts in relation to "baseline" spending, they are actually referring only to reductions in the increased level of spending.

During a question session, Sen. Boschwitz said President Reagan "did *not* give away the store" in the INF Treaty, but added, "I feel the President did *not* give the required leadership on budget negotiations." He thinks the President should have line item veto, but also stated "it won't happen."

Mark Olson, immediate past president of the American Bankers Association and president of Security State Bank of Fergus Falls, Minn., followed on the satellite screen from Washington. He urged all bankers to continue pressuring their Congressmen to lift the moratorium imposed on bank powers when it expires March 1, 1988. He also discussed hearings then currently being held on the Proxmire-Garn bill to repeal two sections of Glass-Steagall and permit banks to exercise limited securities powers. Two other bills also in the hopper were discussed briefly by Mr. Olson. He praised the unity with which bankers are going to Congress in the current campaign to do away with the moratorium.

After Mr. Kalb's speech and that of Dr. Sung, one-hour breaks were taken to allow visiting bankers to attend any one of five break-out sessions. These covered such topics as "Valuing Midwestern Banks in Today's Market," which drew an overflow crowd of 150 the first session, and another large crowd for its second presentation. Taking part were John Crumrine, principal, Norwest Corporate Finance Department, Les Biller, executive vice president, Norwest Corporation, and Bob Miller, partner, McGladrey, Hendrickson & Pullen CPA firm, Minneapolis.

"Investment Strategies for 1988" was handled by Charles White, senior vice president, Norwest Corporation.

"Til Death Do Us Part—Planning for Success in a Family-Owned Bank" was the topic addressed by Thomas L. Hubler and Stephen B. Swartz, consultants with Hubler Swartz and Associates, Inc., Minneapolis.

Robert E. Coates, an IBM financial services industry consultant, discussed the "Effect of Technology of Banking in the '90s."

The fifth session was "Buying Banks Through Employee Stock Ownership Plans," conducted by Dennis A. Bowman, partner of Bowman and London, Ltd.

The evening banquet was concluded by another superb performance by The Golden Strings, the violinists who have become a Minneapolis institution. □

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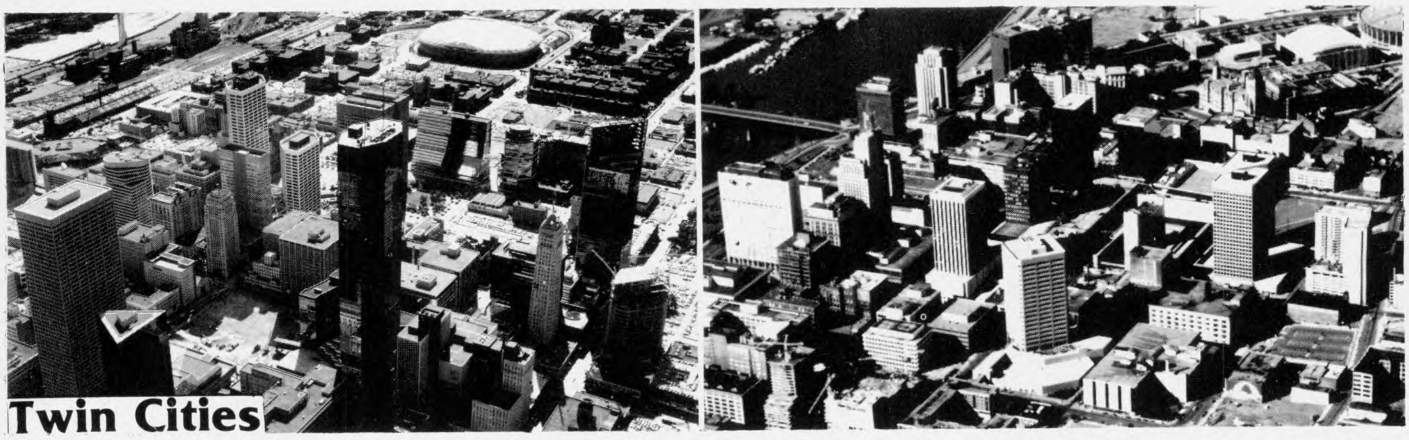
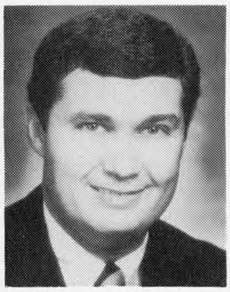
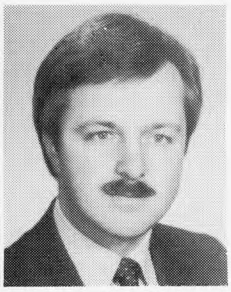


Twin Cities

Norwest Corporation has announced that **Jon R. Campbell** has been named regional manager for 11 banks in the Twin Cities metropolitan area. He succeeds **John C. Nelson,** who has been named regional president for Norwest banks in Iowa. It was also announced that **John Stumpf** will succeed Mr. Campbell as chief lending officer while continuing as senior vice president and head of dealer finance for Norwest banks.



J.R. CAMPBELL



J.G. STUMPF

Mr. Campbell was named chief lending officer for Minnesota, a new position in June of 1987. He previously was senior regional credit officer for Twin Cities retail banking. He began his banking career at Norwest Bank Omaha in 1977.

Mr. Stumpf joined Norwest at Norwest Bank East St. Paul in 1982 as chief credit officer.

* * *

First Bank System, Inc. has announced that it has entered into an agreement with The Marine Corporation, Milwaukee, to acquire Marine's three banking offices in Minnesota pending regulatory approval. The purchase price is $40 million. The Marine Bank in Bloomington and its two branches would become offices of FBS's lead bank in Minneapolis.

Earlier this year, The Marine Corporation entered into a merger agreement with Banc One Corporation of Columbus, Oh. Following discussions with the staff of the Federal Reserve Board, Marine announced on November 20 that it would divest the Marine Bank in Bloomington concurrent with its merger with Banc One. Current banking laws do not permit ownership of Minnesota banks by Ohio bank holding companies.

The agreement to acquire Marine Bank in Bloomington is contingent on Banc One Corporation's closure of its acquisition of The Marine Corporation. If the Federal Reserve Board permits the Marine/Banc One merger to be consummated without divestiture of Marine Bank in Bloomington, Marine may also terminate the agreement.

Marine has two locations in the city of Bloomington and one in Apple Valley, both southern suburbs of Minneapolis.

* * *

Norwest Corporation has named **John A. Sikkink** senior vice president and manager of a project developing an automated data, transaction and information system for large financial institutions.

J.A. SIKKINK

Mr. Sikkink is manager of Norwest Technical Services Sales and Marketing, a Norwest subsidiary that provides support for automatic teller machine networks, cash letter sales and data processing services for banks and other financial institutions. In his new position he succeeds **Jerry Hayes,** who has accepted a position outside Norwest.

The development project, called "System for the 90s," is a joint venture of Bank One, based in Columbus, Oh., and Electronic Data Systems, Inc., a subsidiary of General Motors Corp., based in Dallas. Completion is expected to take a minimum of three years.

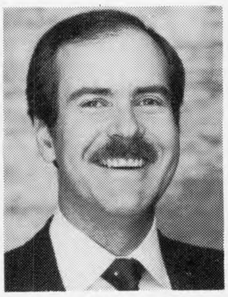
Mr. Sikkink has been manager of Norwest Technical Services Sales and Marketing since August of 1987. He previously was head of Norwest Electronic Delivery Services. He joined Norwest in 1962 at Norwest Bank Des Moines.

* * *

American National Bank of St. Paul has announced several staff promotions.

Lynn G. Lindsay has been promoted to vice president/manager—international. Mr. Lindsay joined American in 1985 as an assistant vice president in that department. Prior to that, he held a variety of positions in the international field for eight years.

L. LINDSAY



J. NEWTON

Kathleen A. Kelley has been advanced to assistant vice president—commercial. She started at the bank as a credit analyst in that department in 1983.

Jennifer L. Livings has been promoted to assistant vice president—human resources. She started at American as a personnel clerk in 1974.

Joseph J. Zmyslo, with the bank since 1981, was promoted to data processing officer.

American National has also promoted two officers in the aircraft/

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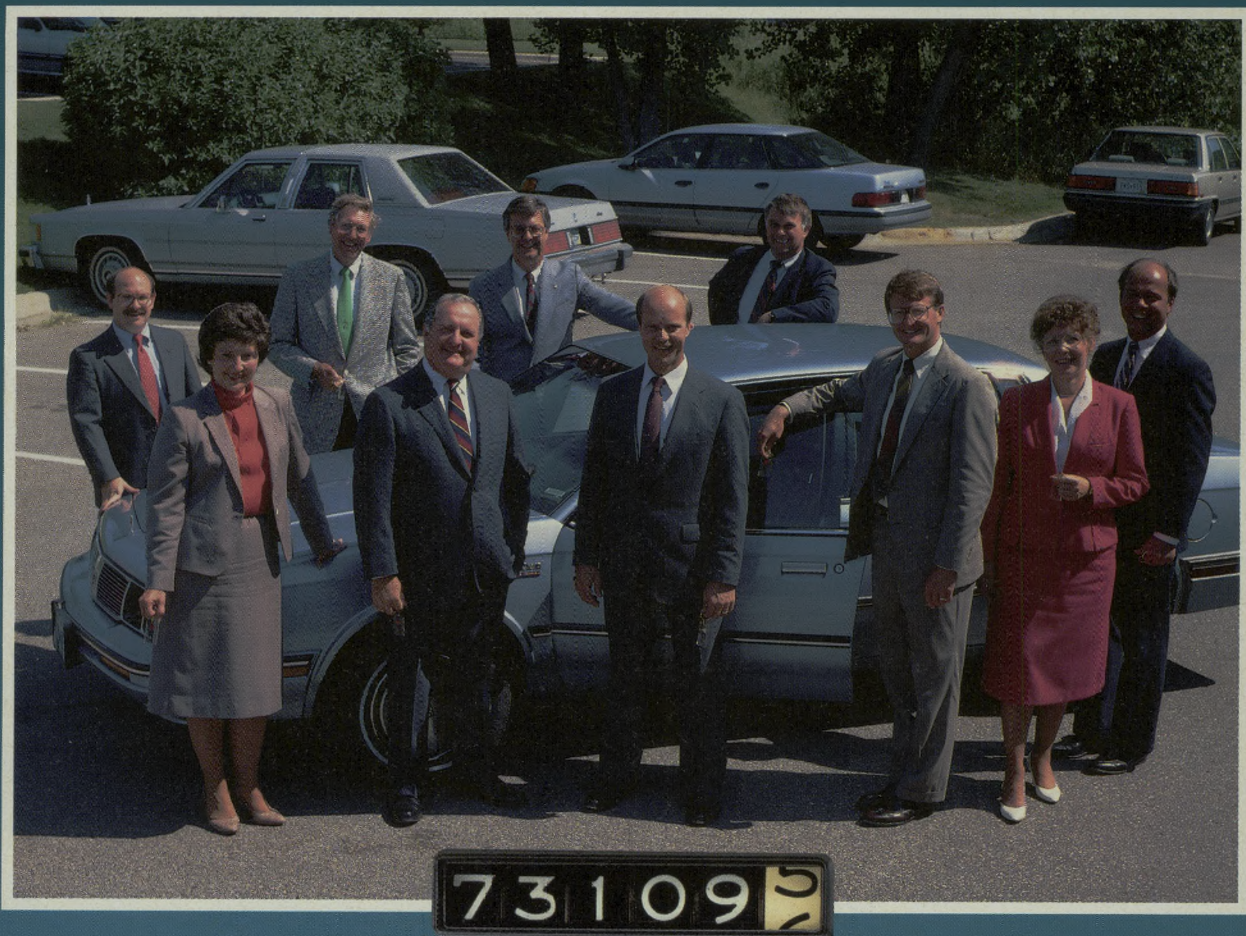

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Experienced bankers and investment specialists. That's who will be working for you at Marquette...Whether it's a complex bond swap, a needed correspondent service, or just a routine transaction. Career bankers working as a team to see that all your correspondent needs are met.

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Correspondent Services Division/Investment Department

Correspondent Services 341-6561
MN Wats 800-862-1452
National Wats 800-328-8155

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Investment Department 341-6558
MN Wats 800-642-7582
National Wats 800-328-8013

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sales finance and leasing department.

John R. Newton has been advanced to vice president. He joined the bank in 1986 as assistant vice president, and prior to that was a finance manager at Cessna Finance Corp. and an engineering technician for NASA.

James A. Conrad was promoted to assistant vice president. He joined American as a credit analyst in the construction department in 1984.

* * *

First Bank System recently named **Ron Larson** president of its Matrix Leasing subsidiary. Mr. Larson is also senior vice president of FBS National Leasing Group, of which Matrix is now a unit. With the addition of Matrix assets, the National Leasing Group expects to report year end assets of $1.2 billion.

Matrix Leasing has offices in San Francisco, New York and Minneapolis. **Weldon Smith** is executive vice president of Matrix and managing director of its San Francisco office, and **Ed Yocum** is managing director of the New York office. Mr. Larson is headquartered in Minneapolis.

* * *

Marquette Bank Minneapolis has named **Anne Maguire** to the new position of private banking officer at Marquette Bank Edina. Prior to her position at Marquette, Ms. Maguire was retirement product manager and strategic planner at First Bank Systems.

A. McGUIRE

* * *

First Bank System has announced it has formed a new division named Wholesale Transaction Services. The new unit combines its cash management sales, product management and operations support functions, and is part of the corporate banking group.

Terry Sandvik, senior vice president, has been named head of the unit. He has been with FBS for six years, and previously headed the company's metropolitan operations subsidiary.

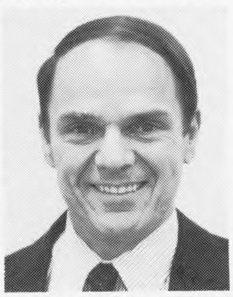
The unit management team also includes vice presidents **Peter Raskind**, who heads the product management department; **Jeffrey Tubbs**, who manages sales, and **Susan Scheerer**, who heads delivery services. Mr. Raskind recently moved from First Bank Milwaukee, where he headed bank operations. Mr. Tubbs previously was employed by the Minneapolis regional office of Continental Illinois National Bank.

* * *

Carl R. Pohlad, president of Marquette Bank Minneapolis, was named 1987 Distinguished Good Neighbor by WCCO Radio in Minneapolis. The award has been given since 1924 to Minnesotans who "have made a significant contribution to a better world and have brought honor to the State of Minnesota." Mr. Pohlad was cited for his ownership of the World Series Champion Minnesota Twins, his leadership in the banking industry, and his long term civic commitments.

* * *

Richard S. Trenkmann has been named senior managing director and head of the corporate finance department for the First Bank System Merchant Banking Group. He formerly was a vice president for the investment banking department of Kidder, Peabody & Company in Chicago, where he was employed for 20 years.



R.S. TRENKMANN

First Bank System Capital Markets group recently announced the expansion of its foreign exchange desk to 24-hour trading. Only a handful of U.S. banks offer the service. Trading runs from late Sunday until mid-afternoon on Friday. FBS Capital Markets Group also maintains a foreign exchange dealing room in London.

* * *

The Federal Reserve Bank of Minneapolis has announced three new members of its board of directors: **Delbert W. Johnson,** president and CEO, Pioneer/Norelkote in Minneapolis; **Joel S. Harris**, president, Yellowstone Bank, Billings, Mont., and **Earl St. John**, owner, St. John Forest Products, Inc., and St. John Trucking, Spaulding, Mich. Each will serve a three-year term.

Leaving the board are **John B. Davis, Jr.**, president emeritus, Macalester College, St. Paul; **Thomas M. Strong**, president, Citizens State Bank, Ontonagon, Mich., and **William L. Mathers**, president, Mathers Land Company, Miles City, Mont.

MBA V.P. Appointed

Minnesota Bankers Association Executive Vice President Truman L. Jeffers has announced the appointment of Thomas P. Schepers to vice president—education of the Association.

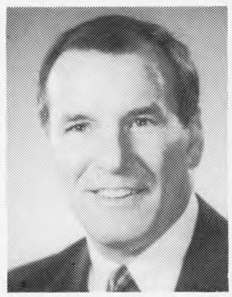
T.P. SCHEPERS

Prior to joining MBA, Mr. Schepers was training and development officer for First Bank System. He has also been a management and organization development consultant for Lifespan, Inc., a hospital corporation.

Mr. Schepers' duties at MBA will include overseeing more than 70 annual education programs plus six professional banking schools.

Elected in Eden Prairie

First State Bank of Eden Prairie has elected Daryl Standafer president and chief executive officer. He began his banking career with First Bank System in Worthington, and later served in FBS positions in Minneapolis and Edina. Most recently he was senior vice president of Resource Bank & Trust in Minnetonka.



D. STANDAFER

Boehlje Named to MBI Advisory Board

Michael Boehlje, head of the department of agricultural and applied economics at the University of Minnesota, has been appointed to the Midwest Banking Institute Advisory Board. The Institute, founded in 1966, is a professional education program for management level agricultural bankers. It is sponsored by

MINNESOTA NEWS. . .
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Illinois


Jack Emmons, pres., Mt. Carmel
W.J. Hocter, exec. v.p., Chicago

Harris to Purchase Norris

On November 24, Harris Bankcorp, Inc., Chicago, and Norris Bancorp, Inc. announced the signing of a letter of intent under which Harris would purchase 100% of the common stock of Norris for $22 million in cash. Norris owns State Bank of St. Charles and The First National Bank of Batavia, both located in east central Kane County. The two banks have aggregate total assets of $174 million and total deposits of $161 million as of September 30.

The proposed acquisition is subject to the signing of a definitive agreement, regulatory approval, and approval of shareholders of Norris Bancorp. If approved, the two banks will bring to ten the number acquired by Harris Bankcorp since its acquisition program began in 1982.

Marine Corp. to Acquire Commercial Bancshares

Springfield-headquartered Marine Corporation has announced the completion of the acquisition of Commercial Bancshares, Inc. of Champaign for $16.6 million in cash. Commercial is a one-bank holding company with assets of $98 million and offices in Champaign and Urbana. Marine is a multi-bank holding company with assets of approximately $776.1 million at September 30.

Willard Bunn III, Marine Corporation's president and CEO, said Marine will merge The Commercial Bank of Champaign with its $90 million Marine American National Bank of Champaign, acquired in 1982.

Marine Corporation has also announced the authorization of the repurchase of up to 250,000 shares of its common stock from time to time, during the next 12 months, on the open market or in privately-negotiated transactions. The company will pay for repurchased stock with general corporate funds. It currently has 6,027,092 shares outstanding.

1st Ill. Announces Stock Repurchase

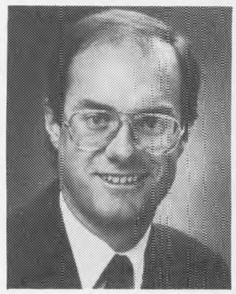
First Illinois Corporation, Evanston, has announced a program to repurchase up to 1.5 million shares of its common stock, from time to time, on the open market during the next 24 months. All stock that is repurchased within the period will be held in the corporation's treasury. The program is designed to supplement the company's ongoing employee benefits program and for other general corporate purposes, including payment of stock dividends and stock splits.

Bank to Open in Orland Park

GROUND was broken on November 20 at the future site of the Orland Park facility of First National Bank of Evergreen Park. It is located between 153rd and 154th Streets on the west side of Harlem Avenue. When completed, in mid-1988, the 15,580 sq. ft. facility will be a full-service banking center. In addition to providing commercial and retail banking, it will feature five drive-up lanes, a vault area with over 2,000 safe deposit boxes, two ATM units and a community room.

Chicago

William M. Keating has been promoted to vice president and controller of Lane Industries Inc. He had been director of taxes for the company. Mr. Keating is a member of the American Institute of CPAs and of the American Bankers Association and the Chicago Bar Association.



W.M. KEATING

* * *

Christine M. Long has been promoted to chief financial officer of Cash Station ATM Network. She also will retain her title as vice president of marketing and sales, which she has held since joining the Network in April. Previously, Ms. Long worked for Murdoch and Coll, Inc., where she was financial asset manager of the real estate firm and head of Chicago office property operations. Prior to that she served as a corporate plan-

C. LONG

CHICAGO NEWS. . .
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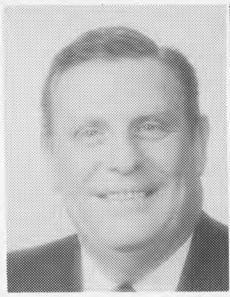
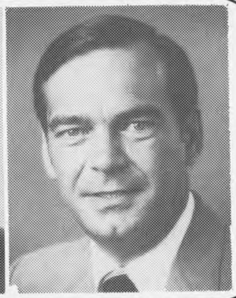
Wisconsin

Richard P. Klug, pres., Menomonee Falls
B.K. Koontz, exec. dir., Madison

1st Interstate Acquires Asset-Based Lending Office

First Interstate Corporation of Wisconsin and First Interstate Bancorp of Los Angeles have announced an agreement whereby First Interstate Corporation of Wisconsin will purchase the assets and business of the Milwaukee office of First Interstate Commercial Corporation, an asset-based lending subsidiary of First Interstate Bancorp.

Under terms of the agreement, First Interstate Corporation of Wisconsin will form a new subsidiary to acquire the assets and continue the business engaged in by that office, namely asset-based lending to small to medium-sized accounts in Wisconsin and its neighboring states. All personnel currently employed by that office will become employees of the resulting First Interstate Commercial Corporation of Wisconsin.

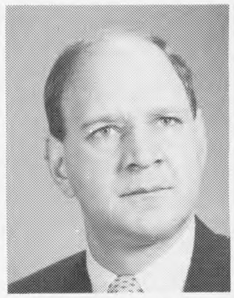
Terms of the agreement were not announced.

Melvin L. Rutlin has been named president of the new subsidiary. Other officers are Charles H. Baston, vice president—marketing; Patrick D. Clancy, vice president—operations; Keith M. Olszewski, vice president—auditing, and Victor W. Ronk and Dennis D. Schlesner, assistant vice presidents.

First Interstate of Wisconsin also announced recently a stock repurchase program whereby it may buy up to one million of its own shares. The corporation has 8.2 million shares outstanding.

Elected in Eau Claire

First Wisconsin National Bank, Eau Claire, has elected Thomas P. Mihajlov vice president and economic development officer. Since 1985 he has worked as a senior finance officer for the Wisconsin Business Development Finance Corporation. Prior to that he spent four years as vice president of development for the Hallbeck Group Design/Build, Inc. in Eau Claire.

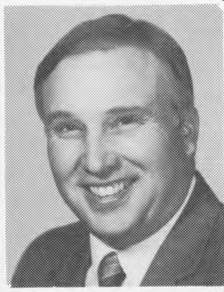


T.P. MIHAJLOV

Named in Appleton

Valley Systems, Inc., Appleton, the computer division of Valley Bancorporation, has announced several staff changes. Lynn Keifer and Shirley Kwasny have been appointed user support deposit account specialists. Christine Luck and Peggy Lindsay have been named user support loan account specialists. Kevin Vandenberg and Dale Ziesemer have joined Valley as programmers.

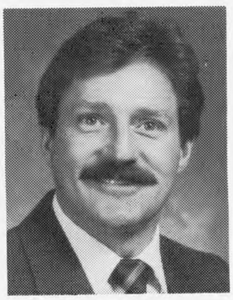
South Dakota

L. Ness, pres., Yankton
J.M. Schwartz, exec. v.p., Pierre

Promoted by Norwest

Al Hodgson, senior vice president, consumer credit manager, has also been named manager of the mortgage loan processing center for Norwest Bank South Dakota.



C. MILLER

In 1978, Mr. Hodgson was named vice president, installment lending for the downtown branch. From 1980 to 1983 he was in Brookings, where he served as vice president/manager. He transferred to Sioux Falls in 1983 as vice president, retail banking and was promoted to his most recent titles in 1986.

Mark Lovre has been named the bank's assistant vice president, mortgage lending. He joined Norwest in 1975.

Craig Miller has joined the Norwest trust department in Sioux Falls as a business development officer. His previous position was with Dain Bosworth.

Elected in Huron

Two new officers have been elected and promoted by Farmers & Merchants Bank in Huron. LaVern E. Barta has been promoted to vice president, having previously served as assistant vice president and manager of installment lending. Don Tschetter, former installment banking officer, was advanced to assistant vice president.

First Bank Elects V.P.

Debra E. Hodges has been elected a vice president of First Bank of South Dakota. She joined the bank as a credit review officer in 1984, and was elected assistant vice president and credit review manager for the South Dakota region in 1985. Most recently, she has been given responsibility for managing the credit administration and review functions for First Bank of South Dakota—Sioux Falls.

D. HODGES

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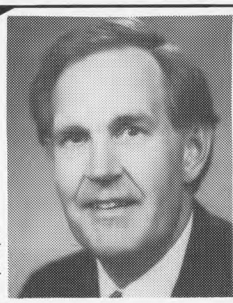
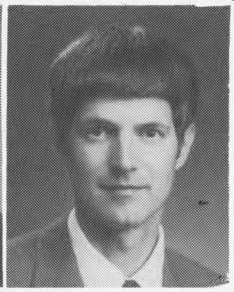
North Dakota





John W. Pierson, pres., Bismarck
Harry J. Argue, exec. dir., Bismarck

NDBA to Offer Bank Mgmt. Conference

THE NORTH Dakota Bankers Association will sponsor the 1988 Bank Management Conference on February 2-3 at the Holiday Inn in Fargo. Featured speakers will be Larry Wipf, director of regional economics, Norwest Corporation, Minneapolis; Roger Minch, Fargo attorney; Bob MacDonald, president and CEO of LifeUSA, Minneapolis; Richard Fitzgerald, former chief counsel, Comptroller of the Currency, and now a Washington, D.C. attorney, and Norwood "Red" Pope, senior vice president/marketing, Valley National Bank, Phoenix. The complete program follows:

Tuesday, Feb. 2

A.M.
11:00 Registration begins.
11:30 Luncheon.

P.M.
12:15 Making Economic Development a Reality in North Dakota (videotape).
1:15 "After the Crash of 1987"—Larry Wipf, Norwest Corp.
2:30 "A Primer on North Dakota Real Estate Mortgage & Foreclosure Law"—Roger Minch, atty.
4:15 "Partners, Not Rivals"—Bob MacDonald, LifeUSA.
5:00 Reception.

Wednesday, Feb. 3

A.M.
7:30 Breakfast buffet.
8:30 Presentation—Richard Fitzgerald, atty., former chief counsel, Comptroller of the Currency.
9:30 "Disney Dynamics in Bank Management and Marketing"—Norwood "Red" Pope, Valley National Bank, Phoenix. □

NDBA Nominees Announced

Harvey Huber, president of the Union State Bank, Hazen, and chairman of the North Dakota Bankers Association nominating committee, has announced that the committee has concurred on nominees for the NDBA's 1988-89 officers, and the Executive Council accepted the report.

During the NDBA annual meeting on June 14, these candidates will be proposed for election: for President-Elect, Ken Reno, president, United Bank of Bismarck (currently NDBA vice president/treasurer), and for Vice President/Treasurer, Gary Paulson, president, First State Bank, Park River.

Additional nominations may be made from the floor. The office of NDBA President will automatically be assumed in June by current President-Elect Roger Berglund, president of the Dakota Western Bank, Bowman. Current president of the NDBA is John W. Pierson, chairman, Norwest Bank, Minot.

Retired in Belfield

First National Bank of Belfield employee Marianne Miller is retiring after 26 years with the bank. She began her banking career in 1943 as teller and bookkeeper. After nine years she left the bank to raise her family and rejoined First National in 1969. She was advanced from head teller to cashier, and most recently was the bank's internal auditor. Mrs. Miller is a member of the National Association of Bank Women.

Tri-State 1990 Convention Approved by Council

The NDBA Executive Council met on December 16 in Bismarck.

The Council approved NDBA participation in a joint convention with the bankers' associations from South Dakota and Montana in 1990. The convention will be held at Rapid City on June 23-26. The 1989 NDBA convention will be in Bismarck; the 1991 gathering will be held in Fargo.

The Council also authorized resumption of the four separate NDBA group meetings for September 1988. These meetings were consolidated in 1987 at Bismarck in conjunction with the NDBA Legislative Leadership Summit Conference.

Grand Forks Bank Completes Renovations

First National Bank, Grand Forks, has completed renovations of its First Financial Center, in the former Norby Building in Grand Forks. The construction took 20 months and cost nearly $2 million, the largest private renovation of a building in the city.

The changes completed renovations of the entire block of Grand Forks, and incorporated an 80 foot skyway entrance, the first part of a proposed network throughout the downtown area.

The renovations included new electrical, plumbing and mechanical systems, a new roof, new decor and state-of-the-art computer equipment. The minipark on the building's north side was also redone.

MINNESOTA NEWS. . .
(Continued from page 22)

the banking associations of Minnesota, Montana, North Dakota, South Dakota and Wisconsin, and is held at the University of Minnesota—Morris each July.

Dr. Boehlje is a well-known author and speaker on agricultural finance and policy.

Elected in Brooklyn Park

Brooklyn Park Bank has announced the election of Pamela G. Shaffer to vice president/cashier. Ms. Shaffer has been with the bank for seven and a half years, most recently as assistant vice president and marketing officer. She has been active in the AIB, the Minnesota Bankers Association and the National Association for Bank Women.

P.G. SHAFFER

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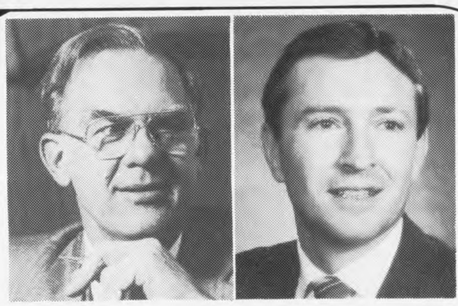
Colorado



Jon Coates, pres., Denver
D.A. Childears, exec. v.p., Denver

Assocs. Agree on Interstate Banking

THE Colorado Bankers Association, the Independent Bankers of Colorado and the Colorado Association of Bank Holding Companies have announced their agreement to support a single bill in the 1988 Colorado legislature to authorize interstate banking.

In a major effort to achieve a unified position, the three groups have resolved previous differences and are supporting the bill, which they will recommend to the legislature. The agreement was developed during weeks of work sessions where Don A. Childears spoke for the CBA, James P. Thomas represented the IBC and Rendle Myer spoke for the CABHC.

The text of the official "Banking Industry Position on Interstate Banking" follows:

Below is the unified industry position on interstate banking supported by CBA, IBC and CABHC. All three associations will strongly support all elements outlined herein.

As outlined below, the proposed bill will allow Colorado bank holding companies (BHCs) to acquire banks and BHCs in other states and authorize out-of-state BHCs to acquire Colorado banks and BHCs.

Form/Timing of Interstate Banking: Authorize reciprocal interstate banking with Colorado's seven adjacent states on July 1, 1988 with conversion to nationwide non-reciprocal interstate banking on January 1, 1991; and treat the two out-of-state BHCs that currently own Colorado banks, First Interstate and AmeriTrust (Central), as if they were located in an adjacent state.

Capital: Require that the acquiring BHC coming into Colorado from out of state have total capital (including loan loss reserves) equal to at least 6% of total assets; and that both the definition of total capital and the amount required would be automatically adjusted (including increasing or decreasing the percentage requirement) if the Fed changes its numeric requirements or its definition.

New Charters: Authorize interstate purchases only of those banks or BHCs in operation on July 1, 1988. After July 1, 1993, a Colorado BHC controlled by an out-of-state BHC may acquire control of a Colorado bank through "de novo" charter.

State Regulation: Permit the state Banking Board to make advisory comments to the Fed on relevant topics. A copy of the application for the proposed interstate purchase shall be submitted to the Banking Board concurrently with filing of the application with the Fed. (If the capital requirement and market share standards were met, the Banking Board could comment, although it would not be required to do so.)

Market Share Limitation: Prohibit any interstate acquisition that would result in control of over 25% of the deposits of all types of federally insured financial institutions in the state.

Local Loans: Charge the state Banking Board with the responsibility to provide a written report to the Legislature of any significant problems for qualified Colorado borrowers in obtaining credit. To do this, all Colorado banks and BHCs would have to submit a brief annual report on lending to the state Banking Board; the report would reflect June 30 data, would be due 60 days later, and would include the bank or bank holding company's gross loans (in dollars loaned) in each of four categories: in Colorado, in Colorado's seven contiguous states, in the remainder of the United States, and outside the United States.

Name Protection: Prohibit an out-of-state BHC from acquiring in Colorado if it has a name deceptively similar to an existing Colorado bank or BHC.

Cross-Industry Acquisitions: Until January 1, 1991, prohibit out-of-state BHCs from acquiring Colorado thrifts (such as S&Ls, savings banks, industrial banks and credit unions) or thrift holding companies, and prohibit out-of-state thrift holding companies from acquiring Colorado banks or BHCs.

Branching: Pledge not to support or advocate any legislation regarding branch banking during the 1988 session of the Legislature. □

Central Bank Promotes Six

Central Bank of Denver has announced several promotions.

Michael W. Lubchenco was named senior vice president, mortgage lending. He has served as a vice president since starting with the bank in 1977. Prior to that he was a vice president for United Mortgage Co.

David R. Pringle was named senior vice president, commercial banking. He joined the bank in 1972 and most recently served as vice president, commercial banking. He was previously employed by American Express.

James A. Baldwin was named vice president. He is director of mortgage banking operations, and joined Central Bank in September, 1987. Prior to that he was a senior vice president for Bright Mortgage in Dallas.

Mark J. Gouin, Ken Griffin and Gene Jaeger have been promoted to assistant vice presidents. Mr. Gouin is a lending officer in the Colorado banking department. Mr. Griffin works in the Custom Financial Center. Mr. Jaeger is a.v.p. of retail indirect and wholesale lending.

CNB Announces Changes

Colorado National Bankshares, Inc. has announced several staff changes.

Steven B. Stemper has been elected vice president and assistant controller of the Colorado National Bank of Denver.

Elected officers at the bank were: Paul W. Stafford, personal loans; Betty Aga, personal loans; Ronald

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

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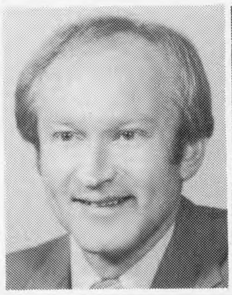
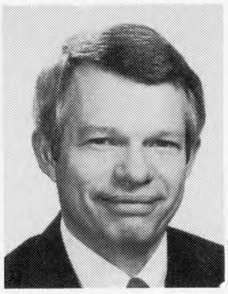
Wyoming



William Ruegamer, pres., Sheridan
Gretchen Tea, exec. dir., Casper

Shively Named Head of Norwest Casper

The board of directors of Norwest Banks in Casper has announced the election of Owen "Dan" Shively to president, chief executive officer and director of Norwest Bank Casper, Norwest Bank East Casper and Norwest Bank West Casper. He succeeds Robert W. Miracle, who has been serving dual roles as chairman, president and CEO of the three banks and president and CEO of Affiliated Bank Corporation of Wyoming.



O. SHIVELY

Mr. Miracle will continue as chairman of Norwest and as president and CEO of Affiliated and will concentrate exclusively on holding company activities.

Mr. Shively most recently was president and CEO of three Norwest Banks based in Butte, Mont. He has extensive experience in agriculture, energy and commercial lending and managerial experience in other areas of banking as well. He had been with various Norwest banks since 1977, before coming to Casper.

Abstract Report Released

The Office of the State Examiner for Wyoming has released its September 30, 1987 abstract report for state and national banks. 66 state banks and 37 national banks reported, as compared with 53 and 54 on September 30, 1986.

Net loans and leases for state banks was $846,812,000 and for national banks was $879,437,000, for a total of $1,726,249,000. September 30, 1986 figures were $757,724,000, $1,255,498,000 and $2,013,222 respectively.

Total deposits for state banks was $1,857,130,000, for national banks was $1,831,061,000, and total was $3,688,191,000. Last year's September 30 figures were $1,420,795,000, $2,366,990,000 and $3,787,785,000 respectively.

This year's third quarter figures for total equity capital were: state banks—$181,874,000, national banks—$149,394,000, total—$331, 268,000. September 30, 1986 figures were: state banks—$139,294,000, national banks—$213,204,000, total —$352,498,000.

September 30, 1987 figures for total liabilities, limited-life preferred stock and equity capital were: state banks—$2,081,850,000, national banks—$2,053,654,000, total—$4, 135,504,000. A year ago the figures were: state banks—$1,595,535,000, national banks—$2,663,140,000, total—$4,258,675,000.

CHICAGO NEWS...
(Continued from page 23)

ner and lending officer for First National Bank of Chicago.

* * *

Gail Gordon has joined The Exchange National Bank of Chicago as assistant vice president in the 122 Private Banking Center. She previously was an officer and manager of a business banking center at The Irving Trust Company in New York City.

* * *

UnibancTrust Company has announced it has signed a contract to acquire 100% of the stock of Vanguard Financial Service Corporation, a privately held Lombard-based lessor of office equipment, at a cash price of approximately $7.9 million. Closing is expected prior to year end subject to the customary approval.

* * *

Alfred Feiger, vice chairman and president of Affiliated Banc Group Inc., has been named to the board of directors of Manufacturers National Corporation, a bank holding company in Detroit. The consolidation of Affiliated and Manufacturers National was effective on October 31.

* * *

Michael A. Sykes has joined Colonial Bank as a residential lending officer. Previously he was a loan review officer at Regency Savings Bank in Naperville.

* * *

LaSalle National Bank has announced that **J. Michael Houston,** former mayor of Springfield, has joined the bank's public finance division upon completion of his mayoral term, December 2.

Mr. Houston, who has been mayor of Springfield since 1979, will be working for LaSalle with municipalities, school districts and other local government units throughout Illinois as they structure effective public financing programs.

LaSalle National Bank has announced that **Jerold Williams** will join the bank's public finance division. Mr. Williams has been involved in Illinois school administration for 20 years, and most recently was administrative assistant and assistant superintendent of the Harrisburg Community Unit #3 School District in Harrisburg.

* * *

Gail M. Gresser has been promoted to loan review officer and **Julie T. Srachowski** has been promoted to human resource officer at First Colonial Bank Shares Corporation. Previously, Ms. Gresser was a loan review analyst and Ms. Strachowski a human resource manager.

* * *

Progress continues in the consolidation of Cash Station and Money Network into the new CASH STATION® ATM network, according to **Stephen S. Cole**, president.

Effective January 1, 1988, the network will affect an average reduction of 18.5% per price break for switch fees. The reduction is due to greater than anticipated growth in transaction volume and projected cost reductions.

At the September meeting of the CASH STATION board of directors, approval was given for the scheduling of the network sharing date for 1988. An exact date will be determined as soon as possible.

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A lot of folks want to be your correspondent banker.

We want to establish a partnership.

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Of course, the relationship we're seeking also includes providing the full range of correspondent products and services you expect, from check clearing and cash management to investment services and complete regulatory compliance and forms processing.

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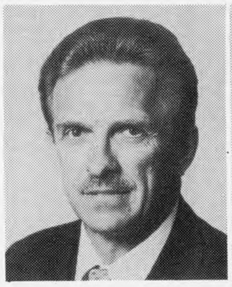
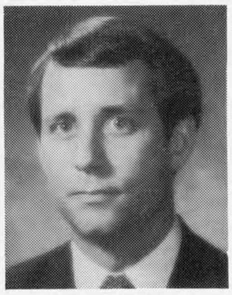
Nebraska




D.E. Blaha, pres., Ord
S. Matzke, Jr., exec. v.p., Lincoln

Named in Bellevue

John H. Becker, chairman and CEO of Affiliated Midwest Bancs, Bellevue, has named Rick R. Sanders president and chief operating officer of the company. He succeeds Michael J. Walts, who left Affiliated in late November.



R. SANDERS

Mr. Sanders joined the organization in 1981 as vice president and trust officer of the Bank of Bellevue. He was named to head Affiliated's financial planning division in 1985 and in 1986 was promoted to senior vice president. Mr. Sanders joined the company's executive committee in mid-1986 as an associate member and was named to full membership in July of 1987.

NBA Council Approves Legislative Program

At its meeting in December, the Nebraska Bankers Association Executive Council approved the association's legislative program for the coming session. Highlights of the program are:

Interstate banking: The Council voted 20-2 to change the NBA's position to neutrality. The Nebraska Independent Bankers Association opposes interstate banking.

Public funds: The Council voted to support compromise legislation giving stock savings and loan associations authority to solicit public funds after January 1, 1990.

Mediation: The NBA will continue to oppose any attempt to legislatively mandate mediation of debts prior to foreclosure (LB 664).

State super fund: The Council changed its position from "watch" to "oppose" on LB 706, regarding the establishment of a state environmental super fund.

Branch banking: As long as branching is limited to Douglas, Sarpy and Lancaster counties, the Council voted to maintain a neutral position on legislation permitting de novo branching. The NBA will oppose any attempts to expand the bill (LB 703). The NIBA opposes branching.

Usury—NBA will continue to strongly oppose any attempts at imposing general usury limitations in Nebraska (LB 735).

Schools of Banking Announced

The KBA/NBA Schools of Banking has announced the 1988 Professional Banking Schools:

School of Banking Fundamentals—March 21-25, Holiday Inn, Manhattan, Kan. 100-level basic course. Fee—$775 single, $675 double, $625 no housing.

Professional Development Program Intermediate School of Banking—First Year Session, September 18-23, 1988; Second Year Session, June 18-23, 1989. Holiday Inn, Manhattan, Kan. 200-level course. Fee, First Year—$925 single, $795 double, $750 no housing. Fee, Second Year—$975 single, $850 double, $800 no housing.

Professional Development Program Commercial Lending School—April 17-22, Holiday Inn, Manhattan, Kan. 200-level school in commercial lending skills. Fee—$975 single, $850 double, $800 no housing.

Professional Development Program Agricultural Lending School—August 28-September 2, Ramada Inn, Kearney, Neb. 200-level ag lending course. Fee—$875 single, $750 double, $700 no housing.

School of Trust & Financial Planning—October 31-November 4, Holiday Inn, Lenexa, Kan. Entry-level trust course. Fee—$850 single, $725 double, $675 no housing.

For more information, contact Jone Beer or RoJean Clifton, Schools of Banking, Inc., 5930 S. 58th Street, Suite O, Lincoln, NE 68516, (402) 421-1107.

Elected in Schuyler

Larry L. Bazata has been elected president and Charles P. Heavican executive vice president of the Schuyler State Bank & Trust Company. Both also serve on the bank's board.

Mr. Bazata joined the bank in 1971 and was previously with the National Bank of Commerce and the Cornhusker Bank of Lincoln. He has served as a director of the Packers Bank & Trust Company of Omaha and is currently president and a director of State Savings Company.

Mr. Heavican also joined the bank in 1971 and is its senior lending officer. He also serves as a director of State Savings Company.

Elected in Cozad

Edward J. Boos has been elected executive vice president and chief executive officer of First Bank & Trust Company, Cozad. His most recent position was with the FDIC in St. Joseph, Mo. where he was Department of Liquidation Section Chief/Participation Loans. Prior to that he served at The Home Bank, Savannah, Mo.; The City National Bank, Atchison, Kan., and The First National Bank, St. Joseph, Mo.

Bankers, Sen. Karnes Meet

Kelly Holthus (left), president of the First National Bank of York and past president of the Nebraska Bankers Association, and **Jim Nissen** (right), president of Vistar Bank in Lincoln, met recently with U.S. Senator **David Karnes** in Washington to discuss banking issues. Sen. Karnes, former chairman of the Federal Home Loan Bank Board's Topeka district, is a member of the Senate Banking Committee.

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Omaha

Several promotions have been announced by Norwest Bank Nebraska.


D. JORGENSEN

Donald L. Jorgensen, previously assistant vice president/senior administration officer, has been advanced to vice president of the trust department at the 1919 Douglas Street office. He has been with the bank since 1952.


M. HUSS


T.P. McNALLY


S. SHAMBERG


B.J. STOCKWELL

Mary J. Huss has been named operations officer. She joined Norwest in 1979 and most recently was manager of rejects/returns.

Thomas P. McNally, formerly an attorney in private practice, joined the bank in August as a trust account officer.

Sally A. Shamberg joined the bank in 1983 and became a credit analyst. In May she was promoted to assistant manager/credit training and analysis.

At Norwest Investment Services, **Bradley J. Stockwell** has been promoted to assistant vice president. He joined Norwest Investment in 1983 as an investment officer.

* * *

John Cochran, president of Norwest Bank Nebraska, N.A., has announced the promotions of **Kathleen A. Cook** to vice president/trust development and **James J. Free** to financial institutions officer in Omaha, and of **David A. White** to assistant vice president/consumer banking manager at Grand Island.


K. COOK


D. WHITE


J. FREE

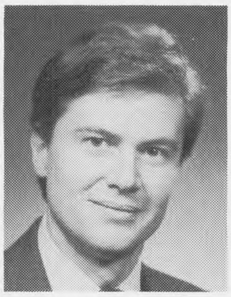
Ms. Cook joined Norwest in 1978 and previously was assistant vice president/trust business development.

Mr. Free joined the bank in 1982. His most recent position was client executive in the FIG department.

Mr. White joined Norwest in 1972 and most recently was consumer banking manager.

* * *

FirsTier Bank Omaha has announced two officer appointments. **Randolf F. Kassmeier** was named assistant vice president. He joined the bank in 1984 and is an attorney. **Ronald D. Bolton** was appointed an officer in the commercial lending real estate division.


R.F. KASSMEIER

* * *

William C. Smith, president of FirsTier Financial, Inc., announced that a dividend of 27½ cents per share was declared on its common stock to shareholders of record on December 26, 1987, payable January 1, 1988. This was the fourth quarterly dividend of 27½ cents declared in 1987, or $1.10 for the year, which is equal to the amount declared in 1986.

The payment date of January 1 represents a change from previous years' payment on December 31. Mr. Smith stated that it is contemplated that future dividend payment dates will be on April 1, July 1, October 1 and January 1.

* * *

Rolland C. Johnson, CEO of Creative Financing, Inc., an Omaha-based mortgage banking firm, has announced a new fixed-rate mortgage product. It is called a Reduction Option Loan or ROL. A conventional, 30-year fixed rate loan, the mortgage gives the buyer the opportunity to reduce the rate on the loan once between the 13th and 59th months of the term, at a cost of $100 plus ¼% of the outstanding principal balance.

The ROL does not require new appraisal or other steps normally needed for refinancing.

* * *

First Data Resources Inc., the nation's largest third-party credit card processor, projects merchant transactions utilizing its Electronic Ticket Capture product will more than double this year, passing the 10,000,000 mark.

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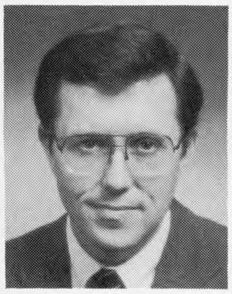
Lincoln

The board of directors of National Bank of Commerce has approved the following officer elections and promotions:

Bradley F. Korell to executive vice president and senior loan officer. Mr. Korell joined NBC in 1974. He has lending experience as a correspondent banking officer and as manager of the international department, the bank card department and the corporate lending division. He was promoted to senior lender in 1986.



B.F. KORELL

V. LADEGARD

Vicki Ladegard to vice president. Ms. Ladegard joined the trust marketing department of NBC in 1983. Prior to that she was a paralegal for a Lincoln law firm.

Jay Steinacher to assistant trust officer. He joined NBC as a teller in 1983 and transferred to the trust division in 1984.

Rose Beals to residential real estate banking officer. She joined NBC in 1973.

At NBC Computer Services Corporation, **Varro "Jack" Clarke, III** and **Virginia Davis** were advanced to customer services officers.

* * *

At FirsTier Bank Lincoln, three have been promoted to officers. They are **Bradly J. Bechtel**, corporate trust account officer; **Thomas W. Larson,** trust investment officer, and **William L. Ryan,** direct loan officer. The men have been with FirsTier since 1986, 1986 and 1985 respectively.

NBA Bank Exec. Conference to Be Held Feb. 10-14

The Nebraska Bankers Association has announced plans for its 1988 Bank Executive Conference, which will be held February 10-14 at the Grand Champions Resort in Indian Wells, Calif. The theme will be "Strategies to Bank On: A Blue Print to Success." Conference fee is $330 per person, with separate fees for golf and tennis tournaments. Please register by January 27. The complete program follows:

Wednesday, Feb. 10

P.M.

7:00 Welcome to California Reception.

Thursday, Feb. 11

A.M.

8:30 Continental breakfast.

9:00 Welcoming address.

9:30 "Preparing Today for the Challenges of Tomorrow," Peter Johnson, Johnson & Co., Newport Beach, Calif.

9:30 Spouse brunch.

P.M..

12:00 Bankers golf tournament.

1:00 Coed tennis tournament.

2:00 Ladies golf tournament.

7:30 Awards reception.

Friday, Feb. 12

A.M.

8:00 Continental breakfast.

8:30 Nebraska Update, Cynthia Milligan, State Banking Dir.

9:00 Washington Congressional Update, Cong. Doug Bereuter.

10:00 "Banking in the 80's—A Very Stressful Occupation," Kaye L. Scott, prog. dir., Valley Hope, O'Neill, Neb.

Saturday, Feb. 13

A.M.

8:30 Continental breakfast.

9:00 Washington Congressional Update, Sen. David Karnes.

10:00 "Marketing from the Inside Out," Jack Hubbard, s.v.p., Von Almen & Associates, Inc., Roselle, Ill.

P.M.

Evening reception and dinner. □

Named in Hallam

Hallam Bank has named Tom Damkroger president, succeeding Russ Anderson. Mr. Damkroger previously served as vice president of the First National Bank of York. Mr. Anderson has joined the staff of the Abbott Holding Company in Alliance.

Added in Nebraska City

David J. Meek has joined the Otoe County National Bank & Trust Co., Nebraska City, as assistant vice president and ag loan officer. He previously served as assistant vice president at Union State Bank in Winterset, Ia.

Changes Told in Martell

Dan Post has joined the Martell State Bank as loan officer. He has over seven years of banking experience.

The Martell State Bank also recently completed an addition to its lobby area of over 1,000 square feet. In celebration of the remodeling as well as the holiday season, the bank held open houses and a wine and cheese party for customers on December 11 and 12.

Elected in North Platte

The North Platte National Bank has elected Gayland Meyer to its board of directors. Mr. Meyer is vice president of James E. Simon Company.

New Location Announced for Schools of Banking, Inc.

The Schools of Banking, Inc., sponsored by the Nebraska and Kansas Bankers Associations, has moved to new office quarters effective January 1. The new address is 5930 S. 58th Street, Suite O, Lincoln, NE 68516. The new phone number is (402) 421-1107.

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Austin Associates Offers EDP Service

DR. DOUGLAS V. Austin, president and chief executive officer, Austin Associates, Toledo, Ohio, a nationally recognized financial institution consulting firm for community banks, announced last month that it is providing data processing consulting services for the nation's community banking industry.

Dr. Austin noted that the decision to provide data processing consulting assistance was based upon a 10-month study of community banks throughout the country to determine significant consulting needs. "The rapid development and deployment of technology and its application to the financial services industry has accentuated the importance of identifying proper solutions to a community's bank's data processing needs and problems," Dr. Austin said.

Dr. Austin also noted that the firm will offer bank operations analysis services, data processing planning services, EDP disaster recovery and contingency planning services, EDP compliance analysis services, and EDP system conversion planning services.

Jon A. Brenneman, vice president of the firm's EDP Division, will supervise all data processing consulting assignments. Mr. Brenneman has more than ten years of data processing management and planning experience, and is a recognized expert at community bank data processing consulting.

Mr. Brenneman noted that community banks throughout the country are being challenged by the decision to handle data processing either through an in-house system or through an established service bureau. He added that bankers often make the data processing decision based totally upon short-term cost considerations rather than determining the most efficient and effective solution to the longer term needs of the organization. Mr. Brenneman said, "Without proper planning, a bank may find itself moving from one data processing disappointment to another." He added, "For example, the trend within community banking today is to establish in-house data processing systems; however, the key to a successful in-house system is to select a company providing data processing hardware and software which will stand by the bank and provide ongoing information, so the system will remain state-of-the-art."

Austin Associates, with offices in Toledo, Chicago, Indianapolis, Springfield, Ill., and Richmond, Va., specializes in working with the nation's community banks in the areas of mergers and acquisitions, strategic planning, marketing, stock valuations, data processing, among others. A recent issue of a national banking magazine ranked the firm number one nationally among investment banking advisors handling commercial banking merger and acquisition transactions. □

United Missouri Bancshares Elects A New Director

Directors of United Missouri Bancshares, Inc., Kansas City have elected John E. Williams to the board.

Mr. Williams is president of H.E. WILLIAMS, INC., a manufacturer of lighting fixtures in Carthage, Mo. He has been a member of the board of directors for United Missouri Bank of Carthage since 1980.

10th Fed Schedules 12 Expedited Funds Seminars

In order to increase depository institution's understanding of the Expedited Funds Availability Act and the proposed regulatory and operational changes that will implement the Act, the Federal Reserve Bank of Kansas City will be conducting 12 educational seminars throughout the Tenth Federal Reserve District in January. The Act, part of which will be implemented on September 1, 1988, will have a profound effect on the processing and clearing of checks and return items. The Expedited Funds Availability Act is part of the Competitive Equality in Banking Act of 1987, which was signed into law by President Reagan on August 10, 1987.

Three seminars have been scheduled at the Federal Reserve Bank, 925 Grand Avenue, Kansas City, on January 19, 21 and 22. Each starts at 1:00 p.m. in the 12th floor conference room. Other seminars also running from 1:00 p.m. to 5:00 p.m., include.

Wyoming:
Casper—Jan. 11. Hilton Inn, 800 N. Poplar.

Colorado:
Grand Junction—Jan. 13. Hilton Inn, 743 Horizon Drive.
Northglenn—Jan. 19. Holiday Inn North, 10 East 120th Ave.
Englewood—Jan. 20. Hilton Inn South, 7801 East Orchard Road.
Colorado Springs—Jan. 21. Clarion, 2886 S. Circle Drive.

For more information about the Expedited Funds Availability Act or the educational seminars, contact the Bank's Business Development Department in Kansas City at (816) 881-2987.

Deluxe Signs Agreement to Purchase Current, Inc.

Deluxe Check Printers, Incorporated, St. Paul, Minn., recently announced the execution of a definitive agreement for the purchase of Looart Press, Inc., and its operating subsidiary, Current Inc. from Primerica Corporation.

Current, which is based in Colorado Springs, Colorado, is the nation's largest direct mail marketer of greeting cards, stationery, and related products. Current has estimated sales for the year 1987 of more than $125,000,000.

The acquisition of Current will strengthen Deluxe's direct marketing operations, which were started in 1981. Deluxe's direct marketing units, which include its business and computer forms divisions, Delmart, and Colwell Systems, Inc., produce printed forms, stationery and related accessories for use by businesses, professionals and households.

Named in Bradshaw

Mark V. Utter has been named vice-president and branch manager of The First National Bank of York —Bradshaw branch. He has been a loan officer with the Farm Credit System in Scottsbluff. Prior to that, Mr. Utter served with the Farm Credit System of Gillette, Wyo.

Resigned in Monroe

Kathy Votaw Dubs has resigned as vice president of the Bank of Monroe. She will move to Billings, Mont., where her husband is opening a dental practice.

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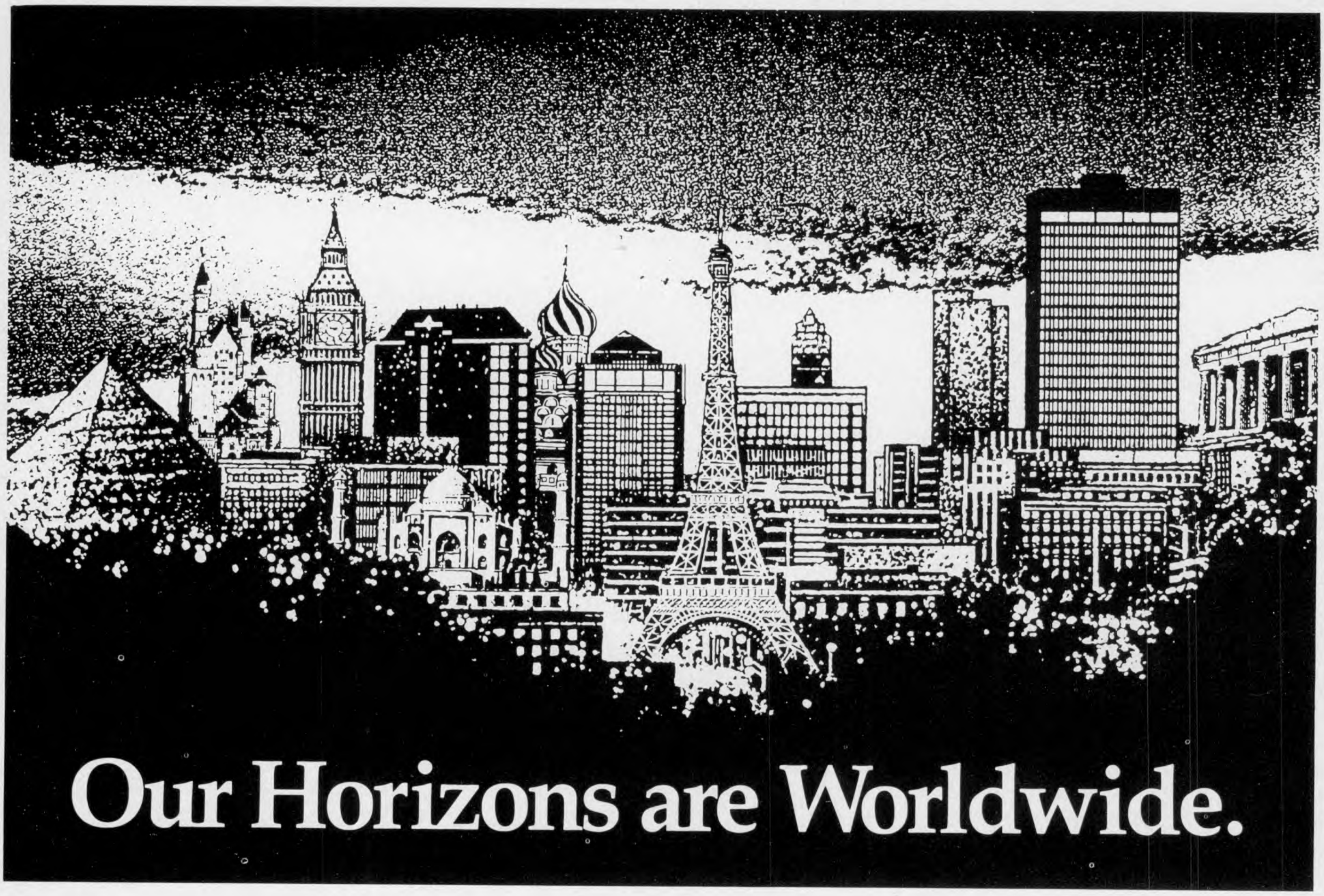

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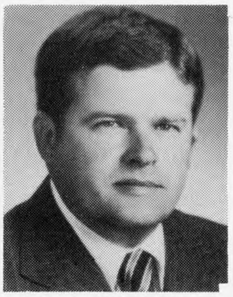
Iowa

Clair Lensing, pres., Marion N. Milner, exec. v.p., Des Moines

Norwest Acquires Toy National

NORWEST Bank Sioux City has completed the acquisition of substantially all of the assets and liabilities, including all customer deposits, of The Toy National Bank of Sioux City. With assets of approximately $300 million, Norwest Bank Sioux City now is the second largest banking organization in the Sioux City market area.



M.J. MOELLER

Michael J. Moeller, president of Norwest Bank Sioux City, said, "This acquisition strengthens the commitment Norwest made to this community in 1929 when we acquired the former Northwestern National Bank. We have been a part of Sioux City for a long time and expect to be for a long time to come."

Mr. Moeller said former Toy customers now have access to the full range of services provided through the Norwest sytem, including venture capital, leasing, and asset based lending, which were not previously available to them. In addition, the Toy trust business will be served from Norwest's main facility as soon as remodeling there is completed. Trust services will be offered to all Norwest customers as well.

The commercial lending limit of Norwest Bank Sioux City has increased to $3.5 million as a result of the acquisition.

Included among the assets acquired by Norwest are consumer and commercial loans, and the Toy Bank's Sioux City branches at 1703 Pierce Street (Mid-town) and 4360 Sergeant Road (Southern Hills Mall), which are now branches of Norwest Bank Sioux City.

Norwest did not acquire Toy's main banking facility at Fourth and Nebraska, which remains the property of Toy. Former Toy customers who banked at the Toy downtown office will now be served from Norwest's main office, located in the Terra Centre.

A number of key Toy executives will be joining Norwest. These include Don Vaudt, executive vice president of the Toy Bank, and vice presidents Stanley Fredericks, James Tritz, Thomas Van Dyke and William Jansen.

Mr. Moeller also indicated that the board of directors of Norwest Bank Sioux City will be expanded to include former Toy board members Cy W. Chesterman and John S. Holtze.

Norwest Bank Sioux City is one of 11 Iowa banking subsidiaries of Norwest Corporation.

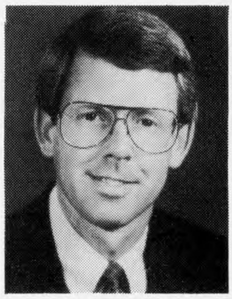
Agribusiness Dinner Held in Council Bluffs

OVER 350 southwest Iowa farmers, livestock feeders and agribusiness workers attended the 45th annual Agri-Business Dinner sponsored by Council Bluffs Savings Bank on November 16. The dinner was held at the Lakeshore Country Club. Shown above are dinner speaker **Duane A. Fischer,** president and CEO of Scoular Grain Co.; **Dr. Ward Chambers;** and **Tom Whitson,** president and CEO of the bank.

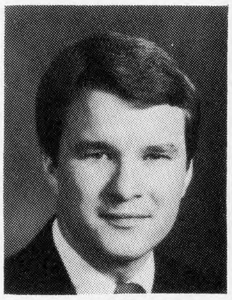
Promoted in Davenport

Three officers have been promoted at Davenport Bank & Trust Company.

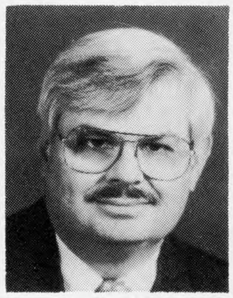
Gene Frey has been named vice president—Main Bank consumer banking manager. He has been with the bank since 1985 as manager of the Kimberly office.



G.A. FREY



T.G. KNOBBE



C.N. JOHNSON

Tony Knobbe is the new manager of that office. He joined the bank in 1982 and has been a loan officer since 1985.

Curt Johnson has been named assistant vice president in the commercial loan department. He joined the bank in 1968 and previously held the position of loan officer in the installment loan department, assistant manager of the Kimberly office and manager of the Spruce Hills office.

Garner Banker Dies

Herbert L. Ollenburg, chairman of the Hancock County National Bank in Garner, passed away on November 26 at his winter home in Mesa, Ariz. He was 76. Mr. Ollenburg was employed by the Farmers National Bank in Garner from 1927 to 1934, and joined Hancock County in 1934. He served as president of the bank from 1944 to 1977, and was its chairman for the past ten years.

H.L. OLLENBURG

Mr. Ollenburg was a past secretary and chairman of Group III of the Iowa Bankers Association and was IBA president in 1962-63. He also served on the American Bankers Association Executive Council.

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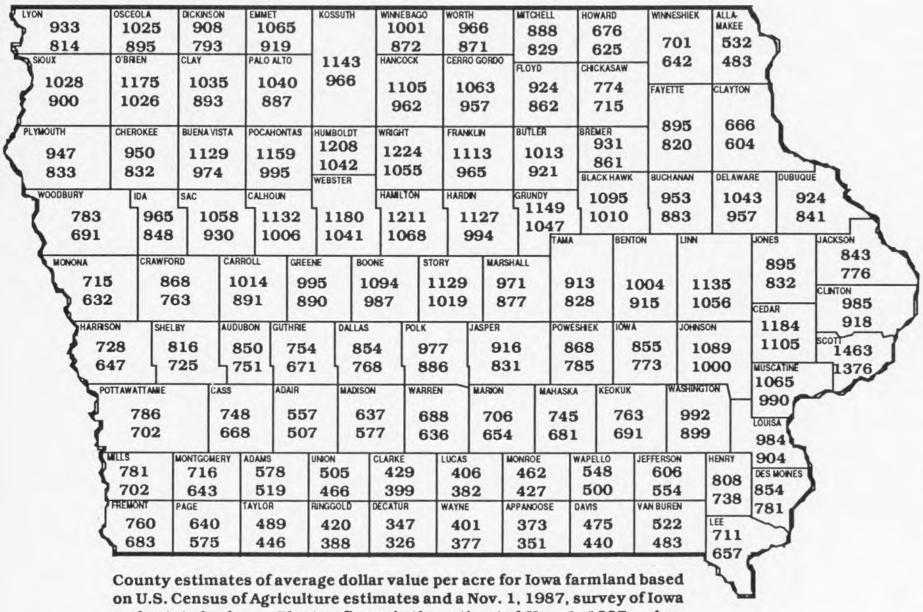
ISU Survey Shows Land Values Recover

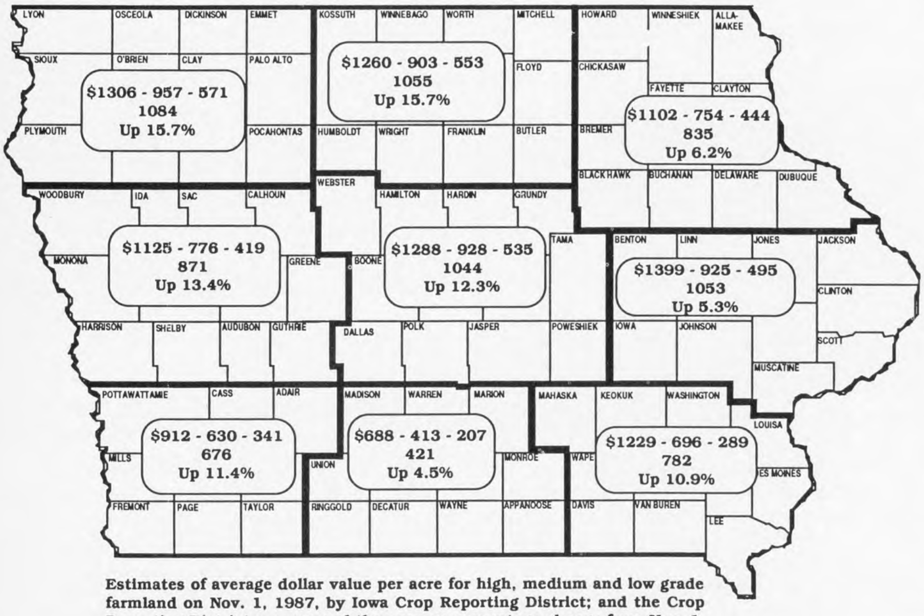
IOWA'S farmland values began to recover in 1987 after five straight years of decline, according to the annual survey of land values published in December by Iowa State University.

The turnaround increased the average value for all grades of agricultural land by 11.2 percent to an estimated $875 per acre, up $88 from last year. The increase was the first since 1981 when values peaked at an estimated $2,147 per acre. Since that time, yearly declines had ranged as high as 30 percent in 1985, and farmland lost 63 percent of its value before this year's recovery.

"Unbridled optimism is not warranted" as a result of the upturn, according to Iowa State University Extension economist Michael Duffy, but he said a realistic assessment indicates that the recovery may be more than a temporary phenomenon. Mr. Duffy conducted the annual November 1 survey of Iowa farm real estate brokers. He and his assistant, extension economist Craig Chase, announced the results at a news conference December 18, on the ISU campus.



County estimates of average dollar value per acre for Iowa farmland based on U.S. Census of Agriculture estimates and a Nov. 1, 1987, survey of Iowa real estate brokers. The top figure is the estimated Nov. 1, 1987, value; the bottom figure is the estimated Nov. 1, 1986, value.



Estimates of average dollar value per acre for high, medium and low grade farmland on Nov. 1, 1987, by Iowa Crop Reporting District; and the Crop Reporting District average and the average percentage change from Nov. 1, 1986. The estimates are based on a survey of Iowa real estate brokers.

Mr. Duffy said respondents to the survey indicated three main factors that had a positive effect on farmland values during the past year. They were payments for participation in federal programs, higher livestock prices and recent high crop yields. While federal programs were the most frequently listed factor with a positive effect on land values, Mr. Duffy noted that the uncertainty of government programs was the factor most frequently listed as having a negative effect on land values.

"All of these positive factors are of questionable duration," Mr. Duffy said, noting that federal budget constraints may affect government programs in the near future, and livestock prices already have started a downturn. But he said unless there are drastic shifts, the value of farmland should remain relatively stable in the near future, compared to the sharp drops in recent years.

The survey provides data for calculations of high-, medium- and low-grade farmland in each of the state's nine crop-reporting districts, and average values for all counties in the state. An increase in the number of farmland sales during the past year was noted by many of the survey respondents.

Mr. Duffy said among the surprises this year was the relative strength of land values in the northwest and north central districts compared to the central and east central districts. East central Iowa had the highest land values in the state for the past five years, but the east central average of $1,053 this year was below the north central average of $1,055 and the northwest average of $1,084.

The northwest average value was the highest in the state for the first time since 1958. High-grade land in east central Iowa still led the state with an average value of $1,399, but that price led high-value land in northwest Iowa by only $93. Last year the margin was $212.

The percentage of overall increase in crop reporting districts ranged from 15.7 percent in both the northwest and central districts to 4.5 percent in the south central district. Mr. Duffy said high-grade land had the highest dollar increase in all crop reporting districts except south cen-

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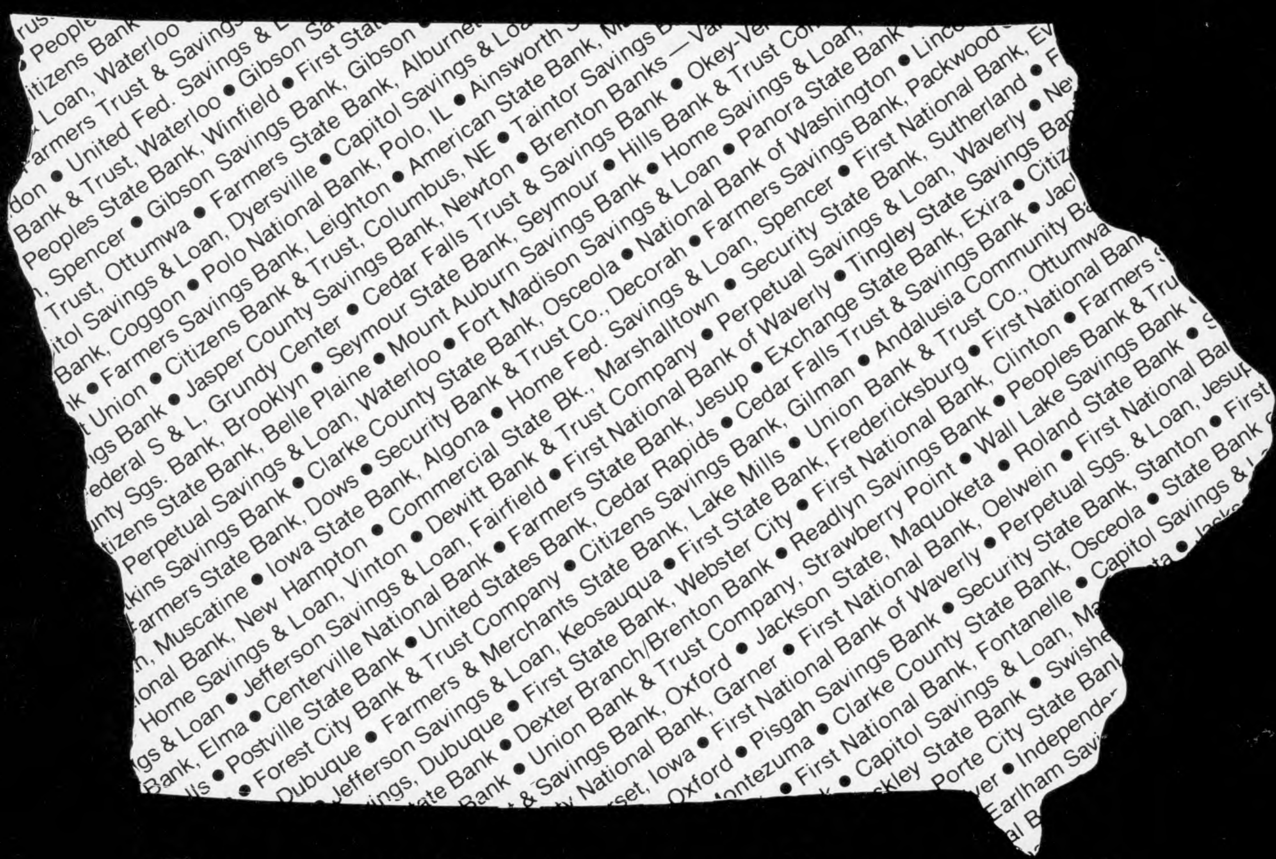

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tral Iowa. However, low-grade land had the greatest percentage increase in every crop reporting district and averaged 14.6 percent statewide.

Scott County in east central Iowa again had the highest average value, at $1,463, while Decatur County in south central Iowa had the lowest at $347. The highest dollar increase was in Kossuth County at $177, while Decatur County had the lowest dollar increase at $21. Kossuth had the highest percentage increase at 18.3 percent, while Appanoose, Decatur, Lucas, Scott and Wayne had the lowest percentage increases, in the 6 percent range.

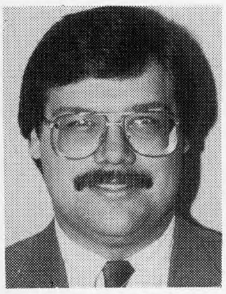
The survey is based on reports of licensed real estate brokers and selected individuals with knowledge of land market conditions. The survey has been conducted annually by ISU since 1942, and this year more than 600 responses were received. Mr. Duffy said the results closely matched surveys conducted by other agencies using different data collection methods.

Participants in the survey are asked to estimate the value of high-, medium- and low-grade land in their counties, taking into account sales during the past year and other factors. County estimates are derived using a combination of survey results and information from the U.S. Census of Agriculture. The district and statewide averages are based directly on the data reported by the respondents. □

Elected in Muscatine

Four officers have been elected at the First National Bank of Muscatine.

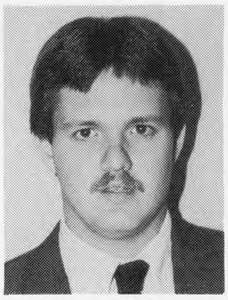
M. Wayne Johanson was elected vice president/commercial loan officer. He joined the bank in 1984 as an installment loan officer.



M.W. JOHANSON

D.S. EASTERLA

Deborah S. Easterla was promoted to assistant vice president of real estate loans. She has held a number of management positions



D.K. PINEGAR

V.M. GARRETSON

since joining First National in 1974.

David K. Pinegar has been named real estate loan officer and manager of OREO properties. He joined the bank in 1986 as an installment loan officer.

Virginia M. Garretson has been elected installment loan officer. She joined First National in 1985 and has been serving as the officer in charge of student loans.

Retired, Added in Madrid

D.M. Lamb, vice president and cashier of the City State Bank of Madrid, has retired from the bank effective January 1. He spent his entire banking career of 41 years with City State Bank. He will remain as one of the bank's directors.

D.M. LAMB

After serving in World War II, Mr. Lamb joined the bank as a bookkeeper in 1946. He was promoted to assistant cashier in 1948 and to cashier in 1957. He has been a director since 1960 and vice president since 1965. He was president of the National Association of Bank Auditors and Controllers, Des Moines Chapter, in 1957-58.

Succeeding Mr. Lamb is Timothy J. Byrnes. He has 14 years of banking experience, and most recently was employed by the Des Moines asset servicing unit of the FDIC.

Changes Told in Oskaloosa

Mahaska State Bank, Oskaloosa, has announced the hiring of two new officers.

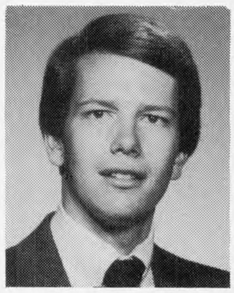
Les Johnson has been elected vice president and chief operating officer. He previously served as president of the Farmers Savings Bank in North English.

Ronald D. Levis has joined the staff as senior vice president and manager of the loan department. He formerly was senior vice president at the Security Savings Bank in Eagle Grove.

The bank has also announced two appointments to its board of directors. Jim Wake, president of Wakes Inc. and Quad-County Grain Inc., replaces his father, Philip Wake, who recently retired from the board. Les Johnson was also elected to the board.

Ehrecke Named IBA SVP

The board of directors of the Iowa Bankers Association has announced the promotion of Wes Ehrecke to senior vice president. He previously served as vice president and government relations/ag director of the IBA.



W. EHRECKE

In his new position, Mr. Ehrecke assumes responsibility for serving as second in command at IBA. His duties still include government relations and agriculture issues and activities, as well as overseeing the marketing and regulatory compliance departments.

Named in Atlantic

Scott Tibben has been named vice president of agricultural loans at Norwest Bank Atlantic, N.A. Formerly, he was an ag loan officer at First National Bank of Dubuque.

Added in Indianola

Mary Ann Waters has joined the staff of Peoples Trust and Savings Bank, Indianola, as a trust officer. She has been employed at Valley National Bank in Des Moines as a trust administrator since 1986. Ms. Waters holds a law degree from Drake University and is a member of the Iowa Bar Association.

M.A. WATERS

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Louise Mickelson —
The Farmers National Bank of
Webster City

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— Diane Kupferschmidt
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Keokuk Bank to Purchase Fort Madison Bank

State Central Bank of Keokuk has signed a definitive agreement to purchase Iowa State Bank of Fort Madison. Presently, State Central has about $94 million in assets and Iowa State has $26 million in assets. The combined assets of $120 million would make it one of the largest banks in southeast Iowa, the first bank in Lee County with assets over $100 million. Combined capital would exceed $11 million.

William Logan, president of State Central Bank, said regulatory approval probably would take about five months. State Central is purchasing the Iowa State Bank holding company stock of Larry Wenzl, president of United Bank and Trust, Ames; Jim Baier, owner of Jim Baier Ford in Fort Madison, and Doyle Hoyer, owner of Glasgow, Ltd. clothing store in Fort Madison.

Iowa State Bank would be merged with State Central Bank and operated as an office of the Keokuk Bank.

Mr. Logan's son, William "Archie" Logan, will join the Fort Madison staff. He has been serving as manager of State Central's office in Farmington. The current Iowa State Bank staff is expected to remain the same.

Added in Stanton

Stephen F. Redman has joined the Security State Bank, Stanton, as vice president and director. He previously was an officer with the Thayer County Bank in Hebron, Neb. Before beginning his banking career, Mr. Redman spent several years in the military.

Elected in Northwood

Kary S. Paulson, president of the Northwood State Bank, has announced the addition of Robert Umbarger to the staff. Mr. Umbarger will hold the position of cashier/controller. He previously was affiliated with the Norwest Bank of Mason City.

Promoted in Ames

At The First National Bank, Ames, Donald K. Mangels was advanced to vice president, Timothy Fitzgibbon to assistant cashier and Brian Mino to auditor.

Mr. Mangels joined the bank in 1982, and previously served as assistant vice president and marketing officer.

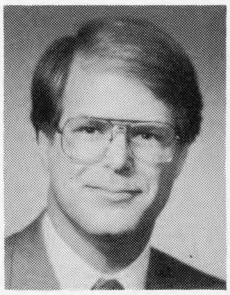
Mr. Fitzgibbon's prior position was auditor. He joined First National in 1983.

Mr. Mino joined the bank in 1986 as a trainee.

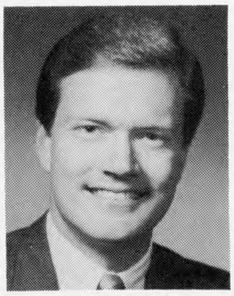
Changes Told in Council Bluffs

Rod Kinman and Todd F. Kruse have joined the staff of First National Bank of Council Bluffs.

Mr. Kinman is assistant vice president and controller. Prior to joining the bank he was with FirsTier Financial, Inc., Omaha, for 14 years, most recently as manager of financial analysis.

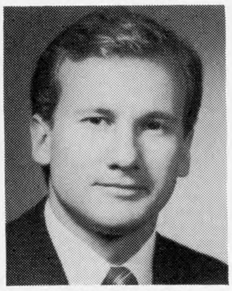


R. KINMAN



T.F. KRUSE

K. CHANDRA



T. DONNELLY

Mr. Kruse is a commercial/agricultural loan officer. His most recent position was with First National Bank of Omaha, where he served as a correspondent banker for two and a half years. Prior to that he was a loan officer for the Federal Land Bank in Sioux City.

Kathleen Chandra and Tim Donnelly have been named commercial loan officers at the bank.

Ms. Chandra was promoted from her previous position as a credit analyst. Mr. Donnelly joins the bank from a similar position with the Bank of America in Santa Ana, Calif.

IBA Announces 1988 Schools

The Iowa Bankers Association has announced its Commercial Lending School, Consumer Credit School, and Iowa School of Banking for 1988.

The Commercial Lending School will be held at Iowa State University in Ames on February 7-13. Applications for this school were due January 4.

The Consumer Credit School will be March 20-25 at Drake University in Des Moines. Tuition, housing, meals and materials are $700 for members and subscribers and $1,050 for non-members. Registration is due by February 15.

The Iowa School of Banking will be held June 12-17 at the University of Iowa in Iowa City. Fees for this school are $650 for members and subscribers and $1,050 for non-members. Applications are due by May 16.

For more information about these schools, contact the IBA office.

Elected in Lake Park

Kevin Kuehl has been elected to the board of directors of First Security Banshares, Inc., Lake Park, the holding company of Security State Bank in Lake Park. Mr. Kuehl has been with the bank for six years and is assistant cashier as well as vice president of Kuehls Insurance Agency, located in the bank.

Added in Iowa City

Brian C. Wright has joined First National Bank, Iowa City, as a trust officer. He previously was a trust officer at First National Bank in Burlington.

Kip Wright has joined the bank as a trust investment officer. He formerly served at Bankers Trust in Des Moines as a trust investment officer and vice president.

Promoted in Waterloo

The Waterloo Savings Bank has announced a change in the retail banking department. Matthew J. Roegner has been appointed personal banker at the main office, West Part at Cedar. He succeeds Charles E. Laipple, who now manages the bank's Cedar Falls office. Mr. Roegner joined the bank in 1986 as a consumer loan officer.

M.J. ROEGNER

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LEFT—Taking part in Norwest Bank Des Moines' 29th Annual Business Trends Meeting in early December at the Marriott in downtown Des Moines were, left to right: Seated—**Mike Jensen**, chief financial correspondent, NBC News, New York; **Charles M. "Mike" Harper**, chmn. & CEO, ConAgra, Inc., Omaha, and **Martin Bucksbaum**, chmn., General Growth Companies, Inc., Des Moines. Standing—**Thomas H. Stoner**, chmn., Stoner Broadcasting System, Inc., Annapolis, Md.; **George Milligan**, chmn. & CEO, and **Lynn Horak**, pres. & COO, of the host bank. RIGHT—**Mr. Jensen, Mr. Horak** and **Mr. Milligan** visit before the luncheon wth Iowa **Gov. Terry Branstad**, who addressed the crowd of 650 business people.

More Than 650 Attend Norwest Conference

By **BEN HALLER, JR.**
Publisher

MORE THAN 650 Des Moines area business persons helped set a record attendance at the 29th Business Trends Conference hosted December 7 by Norwest Bank Des Moines at the Marriott Hotel. Following the successful format of previous years, the Conference featured several business chief executives whose firms are domiciled in Iowa or have an established business relationship in the state. The late morning presentations on the outlook in 1988 for their respective industries was followed by a special guest speaker at the luncheon, and brief remarks by Iowa Governor Terry Branstad.

In his welcoming remarks to start the Conference, George F. Milligan, chairman and CEO of Norwest Bank Des Moines and regional president for Norwest, said "Last year (1986) was the best one ever for our bank. We had $10,700,000 in earnings. We've had a 20 percent increase in that figure so far in 1987 and should top $13 million, with 1 percent return on assets and 17 percent on equity. Our Iowa affiliates all are doing extremely well."

Mr. Milligan introduced H. Lynn Horak, president of Norwest Bank Des Moines, who presided at the rest of the conference, introducing the three speakers.

Thomas H. Stoner, chairman of Stoner Broadcasting System, Inc., Annapolis, Md., a native of Des Moines, discussed "Communications." He said "all advertising agency executives I've talked to or read of since Black Monday say their business will be up from 5½ to 8½ percent. All the media expect a good increase—I'd say it will be around 7½ percent. Advertising generally outpaces GNP growth by 2 percent."

Mr. Stoner said "radio will remain strong so long as people drive cars, I expect a 7 to 8 percent volume increase in 1988 and an earnings increase of 12 percent. Television will be up in volume about the same amount, with earnings up 13 percent in 1988. "The networks will have trouble holding their market share against cable. It has dropped from 45 to 37 percent; however, national elections and the Olympics will keep them even in 1988."

Mr. Stoner predicts: TV will have more local programming; TV will have a new generation of high-definition big screen and stereo living room sets replacing current ones; emergence of the electronic medium as a worldwide force, via satellite; there will be more international media groups and ad agencies; all of these factors will help make the world a better place to live.

Charles M. "Mike" Harper, chairman and CEO of ConAgra, Inc., Omaha, addressed "Agriculture." He said "The long-term outlook for agriculture is good, for it is one of the nation's great assets." After the ag economy downturn in recent years, Mr. Harper stated, "fertilizer sales are down 40 percent and all production inputs are down 30 percent. The subsidized sales of other nations has hurt - it has hurt us nationally, and has hurt local development business. The downsizing of our agriculture was too severe."

Mr. Harper traced the downturn in foreign sales due to foreign countries who "undersold our price umbrella with subsidies and caused us great problems. *But*," he stressed, "no one produces more efficiently and as consistently as the farmers of the United States." He said farmers "have paid off 25 percent of their debt and now are in better shape."

Mr. Harper stated that "American agriculture is headed in the right direction. We have a long ways to go to recover our best position. Iowa gave up 16 million tons of corn in set asides—that's *double* the entire corn production of Argentina!"

Mr. Harper said the $14 to $16 billion subsidization cost to European Economic Community nations means "it costs each non-farm family in the EEC bloc $900.00 per family!"

Mr. Harper is hopeful that the upcoming GATT talks will bear fruit and he supports the U.S. position. "We've got things going for us," he said, "a better dollar, a workable farm bill, and exports going up." He closed by noting for emphasis that one of every four jobs in this nation is tied to basic food production.

Martin Bucksbaum, chairman of General Growth Companies, Inc., Des Moines, discussed "Retailing."

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His company owns 45 shopping centers with 3,447 stores in 30 states, representing over $2 billion in developed centers and real estate. Those shopping centers have 40 million square feet of floor space.

Mr. Bucksbaum said retailing once was labor intensive but now is fast-changing and competitive due to "great reliance today on the computer chip. It is used for everything from inventory control to determining profitability by department, by aisle and by item, and doing it faster."

He said these factors minimize the amount of financing retailers have to do today, as well as his own company.

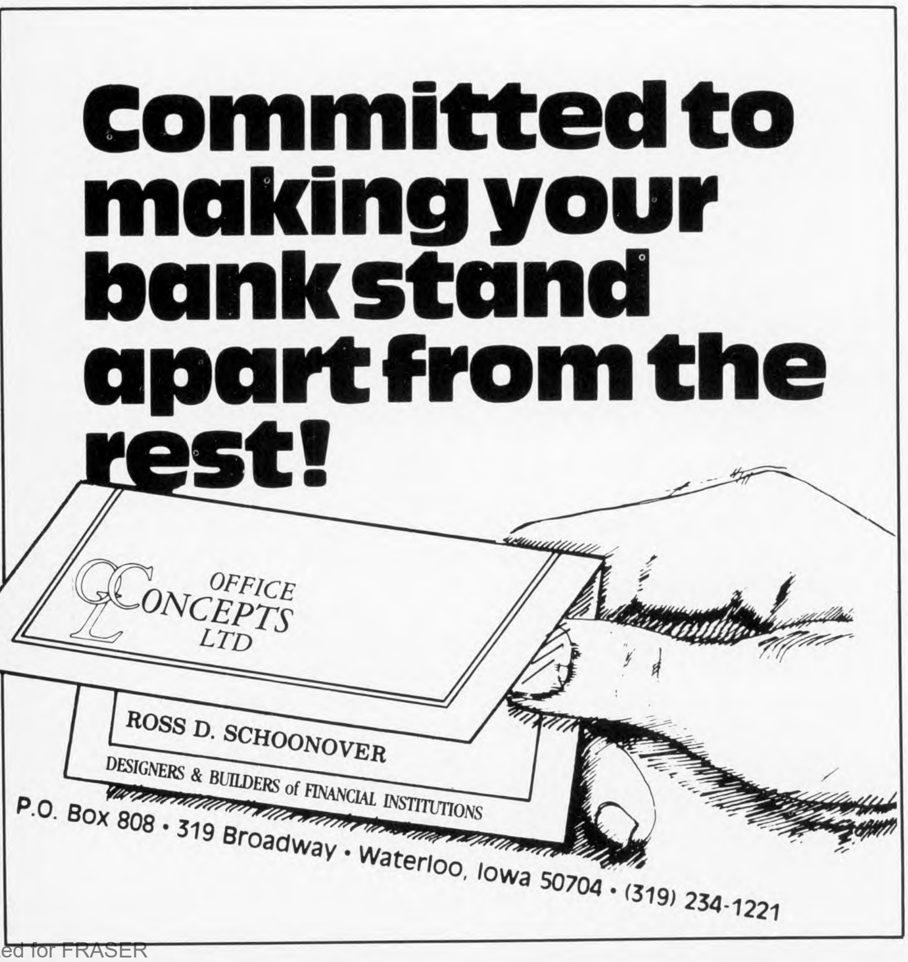
Mr. Bucksbaum pointed out one sobering fact. "It used to be that 25 percent of the stores in our malls were local, privately-owned stores," he said. "Now, we see that down to 15 percent and the outlook for them is not good. Those who do succeed are good." He said the large stores and chains get people "to trade there because of good products and excellent services from well-trained employees." Another trend, he said, is expansion of mail order catalog operations.

Mr. Bucksbaum feels downtown stores can't stop shopping mall success because "people shop where they live, not where they work."

At the noon luncheon, **Gov. Branstad** said, "We must build on our strength of agriculture, but diversify as well." Gov. Branstad listed the positive factors in the Iowa economy's upward turnaround, calling for "new programs, new endeavors, new inventions in education and biotech research. The worst is behind us and we're coming back!"

Mike Jensen, chief financial correspondent for NBC News, New York, was the luncheon speaker. He gave his own analysis of Reaganomics. He related the problems involved in trying to translate to the public the fast-breaking news from the world's financial centers. Mr. Jensen cited the extensive interviews he had with OPEC ministers, for example, they would have four minutes or less of camera time to synthesize that information.

For those trying to determine the true effect of "Black Monday," Mr. Jensen says "The key will be in the first quarter of 1988 when we see what happens in retailing." He feels the economy will continue to grow in 1988. He pointed to the "incredible economic strengths in this nation" when looking at the future — "raw materials, capital, an educated labor force, skilled management, and a stable political system. No one else in this world can beat this country of ours!" □



Added in Algona

Paul Johnson, president of the Iowa State Bank, Algona, has announced the addition of Craig E. McNaughton to the bank staff as assistant vice president—farm management. Mr. McNaughton previously served for five years at the Ankeny office of Farmers National Company. Prior to that he was involved in a family farm operation in Lawton.

Postville Bank Marks 115th

The Postville State Bank recently observed its 115th anniversary. The occasion was marked by a dinner at the bank, which was attended by over 700 area residents.

Colo. Graduate School to Be Held in Boulder

The curriculum has been established for the 38th annual session of the Graduate School of Banking at Colorado, July 31-August 12. The program consists of a two-week session each summer for three consecutive years, four interim correspondence problems and examinations after each session. Tuition, room and board is $1,200. Iowa bankers interested in the School should contact the IBA's representative, Norm Skadburg, President, First State Bank, Box. #127, Webster City, IA 50595, (515) 832-2520. Registration deadline is March 15.

1st Natl. Sioux City Donates Mitten Tree

An 11-year tradition continued at First National Bank in Sioux City on December 18, when the bank presented its "mitten tree" to the Salvation Army. Mittens, scarves and hats were collected at all bank offices and were used for the Salvation Army's Christmas baskets for needy families. A special appearance was made at the presentation by Congressman Fred Grandy.

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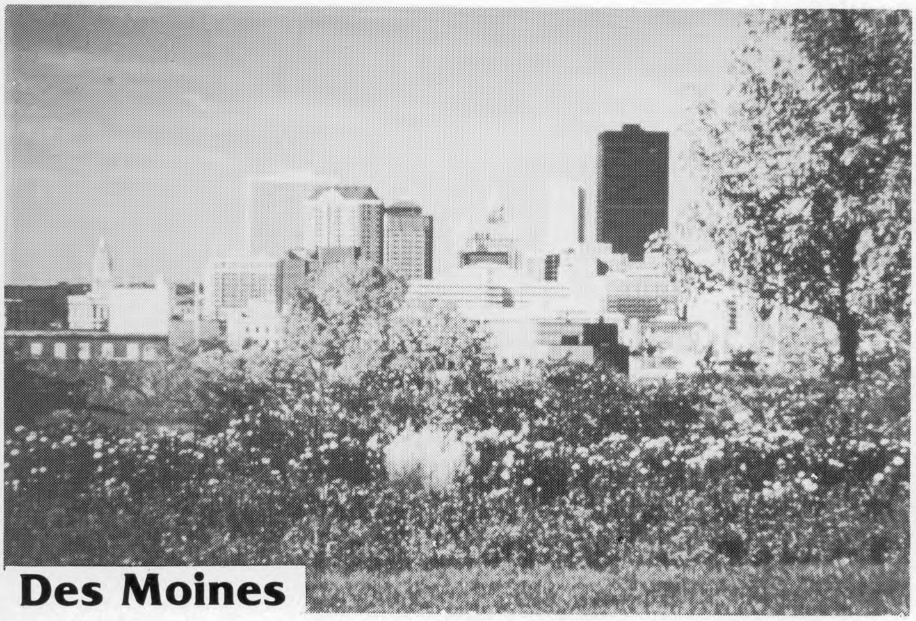
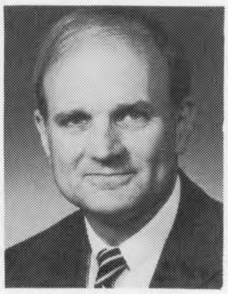
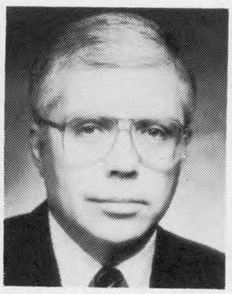


Des Moines

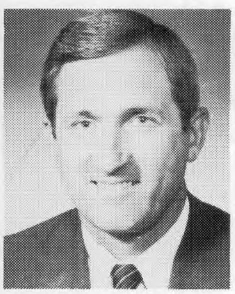
NORWEST Corporation announced in early December that George F. Milligan, 53, regional president of its Iowa banking operations, is moving into a new post this month as vice chairman of Norwest Bank Des Moines. He is being succeeded as Iowa regional president and as chairman and chief executive officer of Norwest Bank Des Moines by John C. Nelson, 43, currently regional manager of a group of Norwest banks in the Minneapolis-St. Paul metropolitan area in Minnesota.



G.F. MILLIGAN



J.C. NELSON



H.L. HORAK

H. Lynn Horak, 41, will continue as president of Norwest Bank Des Moines while assuming the additional post of regional manager for Norwest banks in Iowa outside the Des Moines area, reporting to Nelson.

Mr. Milligan said "these moves begin the implementation of an orderly transition of management here in Iowa." He initiated the transition by informing Norwest Corporation officials of his desire to take early retirement at age 55 in February, 1989.

Kenneth R. Murray, Norwest executive vice president and head of its community banking group, said Mr. Milligan "will continue to play an important role in Iowa, particularly in expansion and legislative programs."

He said Mr. Milligan decided that "it is in his best interest and the best interest of Norwest that we begin implementing his plan for the transition of leadership in Iowa. I have great admiration for him and for that reason am delighted we will continue to receive the benefit of his counsel and years of experience."

Mr. Murray pointed out that Norwest's Iowa banking business represents more than 10 percent of the corporation's total assets and "is a prime market for us."

He added: "The just-concluded acquisition of The Toy National Bank in Sioux City, the pending acquisition of Peoples Bank in Cedar Rapids, plus continued expansion of our credit card business, based in Des Moines with more than 750,000 accounts, make Iowa a vital part of our growth strategy."

Mr. Murray said the succession plan developed by Mr. Milligan to ensure growth in Iowa for Norwest, "is one measurement of the strength of his leadership and vision. One of Norwest's strengths is its ability to develop managers capable of stepping up and assuming new challenges. We are fortunate to have John Nelson and Lynn Horak ready for these challenges."

Mr. Milligan, a former Iowa state representative and senator, has been with the Norwest organization since 1961. He headed the correspondent bank division from 1974-79, was elected executive vice president in 1979, and has served as president since September, 1981.

A Des Moines native, he has a bachelor's degree in commerce from Washington and Lee University, Lexington, Va., and a law degree from Drake University, Des Moines.

Mr. Nelson was born in Coos Bay, Or., and grew up in Columbus, Neb. He began his banking career in 1966 at Norwest Bank Omaha, where he was senior vice president and manager of retail banking when he moved to Minneapolis in 1982 as senior vice president and retail banking group head at Norwest Bank Minneapolis. In January, 1986, he was named regional manager with responsibility over 13 banks in the Twin Cities metro area. Those banks, now numbering 11, have total assets of $1.8 billion.

Mr. Nelson has a bachelor's degree from the University of Kansas and an MBA from the University of Nebraska at Omaha. He is also a graduate of the Stonier Graduate School of Banking at Rutgers University.

Mr. Nelson is a member of the board of directors of the Minnesota Bankers Association and a past director of the Minneapolis chapter of the American Institute of Banking.

Mr. Horak joined Norwest at Norwest Bank Des Moines in 1972. A native of Vinton, Ia., he is a graduate of the University of Northern Iowa. He was elected president of the Des Moines bank in January, 1986.

* * *

Donald J. Brush, CPA, vice president in personal trust at Norwest Bank Des Moines, was honored recently by the American Institute of Certified Public Accountants for his outstanding contributions to his community at the AICPA's 100th annual meeting in New York City. He was named winner of the Public Service Award by the Iowa Society of CPAs.

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Donald J. Brush, CPA, v.p., Norwest Bank Des Moines, receives Public Service Award in New York City from **J. Michael Cook** (left), former chmn. of American Institute of Certified Public Accountants.

Mr. Brush has been a member of the City Council in suburban Urbandale for the past 10 years. He was elected to a two-year term and now is serving his second four-year term. As a council member he helped establish fiscal policy for financial management of the city, including its accrual accounting systems. Urbandale is one of the few cities in Iowa recognized for its excellence in financial management.

Mr. Brush also was on the board of directors of the Bishop Drumm Home in Des Moines for five years. He is former commissioner to the Mid-Iowa Council of the Boy Scouts of America.

In 1985 Mr. Brush was elected president of the Iowa Society of Certified Public Accountants, the first time the Iowa president was not a CPA active in private practice. He has been active in several posts with the Iowa Society over the past 10 years.

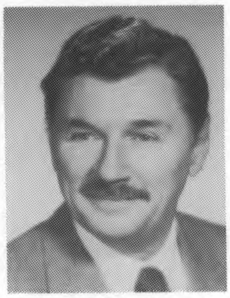
Mr. Brush describes his outside activities as "fun and my relaxation!"

* * *

Thomas P. Killeen, 51, vice president and manager of the Federal Reserve Bank of Chicago's regional check processing center in Des Moines, died November 23 following a heart attack. Mr. Killeen had been associated with the Des Moines RCPC since its inception in 1972. He began his career with the Federal Reserve Bank of Chicago as a check trainee in 1961.

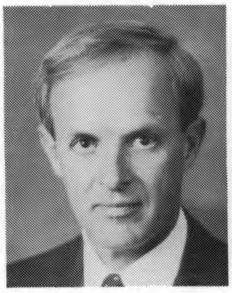
* * *

Norwest Corporation has announced that **Richard J. Brinkman** has been named chairman and chief executive officer of its consumer finance unit, Norwest Financial, Inc., and **David C. Wood** will succeed him as president. Mr. Wood, also named chief operating officer, has been serving as senior vice president and secretary of Norwest Financial.



R.J. BRINKMAN

Both promotions were effective January 1, when **Richard S. Levitt** retired as vice chairman and chief operating officer of the specialized financial group of Norwest Corporation and as chairman of Norwest Financial. Mr. Levitt will continue to serve on the board of Norwest Corporation.



D. WOOD

R.S. LEAVITT

Mr. Brinkman has been with Norwest Financial since 1959 and was elected president in 1981. Mr. Wood joined the company in 1970. He was vice president and general counsel before being named senior vice president and secretary in 1984.

Honored in Waterloo

Waterloo Savings Bank honored 23 of its employees last month for their years of service to the bank.

Recognized for 35 years of employment at the bank were Gerald Curran, senior vice president and cashier, and Donald N. Richards, vice president and manager of the Kimball office.

A 30-year service award was presented to Fred Koch, president and CEO of Metro Bancorporation and executive vice president of Waterloo Savings Bank.

Elda Cole, head teller at the main office, received a 25-year service award. Sarah Thuesen, supervisor of bookkeeping and proof, and Rick Thuesen, vice president and controller, were recognized for 20 and 15 years of service, respectively.

COLORADO NEWS. . .
(Continued from page 28)

M. Wilson, legal; Anthony L. Duran, operations; Jerry L. Ries, operations, and Tim Pitner, personal loans.

Two officers were elected at Colorado National Bank—Sterling: James D. Williamson, commercial loans, and Sandra Lee Maggard, compliance and review.

Changes Told by United Banks

United Bank of Denver's chairman and CEO, Richard A. Kirk, has announced the promotion of five employees. Suzanne C. Shailer and R. Alan Wahlborg were named assistant vice presidents. Therese M. Barber was promoted to personal trust and investment officer, Callen D. Borgias to commercial banking officer and Mary Ann Geonetta to consumer banking officer.

Meanwhile, Howard P. Doerr, executive vice president and chief financial officer of U S WEST, Inc., has been elected a director of United Banks of Colorado, Inc.

CBA Board Adopts Economic Resolution

At its November meeting, the board of directors of the Colorado Bankers Association voted unanimously to adopt a resolution regarding economic stability. The resolution encouraged efforts to reduce the federal budget deficit, to support economic development in Colorado, and to alleviate excessive public concern over the economy.

Recognized in Englewood

First Interstate Bank of Englewood has named Susie Farrell "Professional Banker of 1987" and Sandra Ackerman "Teller of the Year 1987." Ms. Farrell has been with the bank ten years and is an accounting assistant. Ms. Ackerman is a teller II and has been with First Interstate for over three years.

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BLIND persons now have the convenience of being able to conduct their banking business 24-hours a day at all First Interstate Bank Day & Night Teller Machines in the Des Moines area. These closeups show the brailled instructions on the base plate for sightless persons.

Des Moines' Blind Population Now Can Use ATMs

DES MOINES area blind persons now have a service available to them that sighted persons have had the advantage of for over 10 years. Blind persons now have the convenience of being able to conduct their banking business 24-hours a day at all First Interstate Bank Day & Night Teller Machines (ATMs) in the Des Moines and Urbandale area.

First Interstate Bank's 28 ATMs are equipped with brailled plates that instruct the blind person in a step-by-step sequence how to withdraw cash, make a deposit, transfer between accounts, and get a balance inquiry, just as sighted persons are with visually printed instructions.

An instructional braille, cassette tape, and a large print brochure are available at no cost through the Commission for the Blind and all branches of First Interstate Bank in the Des Moines and Urbandale area. Special raised lined checks also are available at all First Interstate Banks.

"The ATM," says Bob Millen, First Interstate Bank of Des Moines president, "is definitely oriented toward the sighted person. First Interstate Bank now welcomes the opportunity to offer full ATM services to the blind population."

The idea for brailling the ATMs came from First Interstate Bank, which worked with the Austin Junior Women's Federation (AJWF) of Austin, Texas. Margarine G. Beaman, community service project chairman, worked with the blind people in Austin to develop the detailed instruction sheet that guides a blind person through an ATM transaction.

Ms. Beaman explains, "I wrote down every step of every transaction on the ATM machine, along with all the corresponding audible tones; the beeps that let you know you have started or completed a transaction. The notes were then taken to a blind person to develop and test the brailled instructions."

AJWF's ATM brailling project started with the ATM machines owned by a bank in Austin and quickly spread to other ATM networks and other countries. To date, Ms. Beaman and the AJWF are working throughout the U.S. and 15 other countries to braille their ATMs or work with them to make banking more accessible.

R. Creig Slayton, director, Iowa Commission for the Blind, said of the new convenience. "The brailling on the First Interstate Bank ATM is another great step toward increasing the access of commonly needed services to the blind community. It is much easier to learn how to use something if there are written instructions. This is true for the blind, as well as sighted persons. This new service provided by the First Interstate Bank allows a blind person to conduct his/her banking business with total independence."

COMMERCIAL LENDER

A major Colorado-based bank holding company is currently seeking an experienced Commercial Lender to join its professional lending staff. This position, at a $105MM bank in Colorado Springs, is responsible for the ongoing management of a loan portfolio and business development activities. The qualified individual must have:

- Minimum 4-7 years progressively responsible commercial lending experience.
- BA degree in a Banking related field. Formal credit analysis training is preferred.

Please submit your resume and salary requirements in strict confidence to:

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We Know The Way To Greener Pastures.

Today's financial world can be a lonely place for a banker. And now more than ever, it takes a strong financial leader to help you make the most of your chosen path.

At Norwest Banks, we have the experience to keep you moving in the right direction. We've strengthened our commitment to correspondent banking. And when you call on Norwest, we make that commitment work for you.

We can provide the service you need to serve your marketplace—no matter how big or how small. So whether you need bank acquisition financing, data processing, cash letter services, or investment alternatives, we'll work with you to find the best solutions.

Talk to us today about our full line of services. When it comes to correspondent banking, we know the way. ■

We Know The Way. We Are Norwest.

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