

NORTHWESTERN *Banker*

APRIL
1988



IBAA Elects New Officers in Honolulu

- The Board's Role in Mergers and Acquisitions
 - 75 Years of Bank Design Reflect Bank Changes
 - Two Midwesterners Named for ABA President-Elect

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V.P. Correspondent Div.
319/368-4306

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NORTHWESTERN Banker

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OLDEST FINANCIAL JOURNAL SERVING THE CENTRAL AND WESTERN STATES

ON THE COVER

LEADERSHIP for the Independent Bankers Association of America was selected by IBAA members last month at their annual convention in Honolulu. Pictured on the front cover from left to right, they are: Vice-Pres.—**Philip Vallandingham**, president, The First State Bank, Barboursville, W. Virginia; Exec. Vice Pres.—**Kenneth Guenther**, Washington, D.C.; President—**J.R. Nunn**, president, Citizens Bank, Tucumcari, New Mexico; Chairman—**Thomas Olson**, president, Lisco State Bank, Nebraska, and Pres.-Elect—**O. Jay Tomson**, chairman, Citizens National Bank, Charles City, Iowa. Not pictured: Treasurer—**Ed Sheldon**, president, National Bank of Bremerton, Washington.

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Farmers Mutual Hail Shows Positive Results for 1987

Farmers Mutual Hail Insurance Company of Iowa met last month in Des Moines for the company's 95th annual meeting, presided over by Perry Rutledge, president.

Mr. Rutledge reported the crop hail department experienced an increase in losses in 1987, which required payment of more than 23,000 claims. As a result of the excessive losses, the crop hail department reported a net loss that exceeded \$3 million.

While the crop hail department sustained a poor year, the poultry department registered a profit of more than \$400,000, increasing its premium volume 26 percent. The poultry department insured over 50 million turkeys and 100 million chickens.

The reinsurance department had another good year, with a profit of nearly \$2.5 million. It experienced a composite loss ratio of 93.1 percent, which is recorded as one of the lowest in the reinsurance industry.

In summary, Mr. Rutledge reported that Farmers Mutual Hail, which provides crop hail insurance in 13 midwestern states, insures poultry in 33 states and provides reinsurance internationally, was responsible for a combined premium that exceeded \$78 million in 1987. The company's assets increased nearly \$5 million, for a total of \$120 million in admitted assets. In addition, the surplus as regards policyholders netted an increase that exceeded \$4 million, and now enjoys a surplus of \$78 million.

Re-elected to the board of directors were Michael Rutledge and Steve Rutledge. Officers re-elected were Perry Rutledge, president; William A. Rutledge, secretary and assistant vice president; Albert B. Carter, senior vice president and treasurer; Michael Rutledge, assistant secretary; Donald D. Bockelman and Donald R. Duwelius, senior vice presidents; Foster Rutledge, Earl F. Rae and Russell S. Cross, vice presidents; Jon R. Christensen, assistant vice president and Kenneth W. Felton, assistant treasurer.

Farmers Mutual Hail Insurance Company of Iowa has continued to maintain the highest possible A. M. Best rating of "A+" for over 25 consecutive years. The company is the nation's #1 crop hail insurer.



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TEXAS INSTRUMENTS 

ABA Offers Retail Banking Conference

E. JAMES MORTON, chairman and chief executive officer of John Hancock Financial Services, will tell hundreds of retail bankers why he favors a pro-competitive regulatory policy for all financial services providers at an American Bankers Association conference in April.

Mr. Morton is a featured speaker at ABA's 1988 National Retail Banking Conference, set for April 24-27 at the Hilton Square in San Francisco. The conference will focus on performance and profitability as keys to success in retail banking.

Mr. Morton will be joined as a conference speaker by an array of experts from the business and financial fields. They include:

- Edward E. Furash, president of Furash & Company and a well-known banking industry consultant, who will offer an overview of the current environment and profit opportunities in retail banking.

- Martin L. Cohen, M.D., chairman and chief executive officer of the Cohen Brown Management Group, Inc., who will describe the strategies and tactics his company has successfully used to change traditional retail banking organizations into proactive

sales cultures, at a time when most sales training programs fail.

- F.G. "Buck" Rodgers, former vice president of IBM WorldWide Marketing, who will offer insight into high quality service delivery based on effective employee motivation.

- John F. Fisher, senior vice president of Banc One Corporation, Columbus, who will discuss the future of the financial services industry and how banks can best develop their human resources to meet new needs.

- G. Michael Moebs, chairman of Moebs Services, Wadsworth, Ill., who will share insights into the future of consumer lending.

A series of concurrent sessions will cover such topics as marketing to the upscale customer, managing a home equity portfolio, pricing, incentive compensation programs, liability issues for consumer lenders and PC utilization. Peer group discussions, exhibits, receptions and luncheons featuring former Yankee pitcher and author Jim Bouton and training and development specialist Dr. Marjory Blanchard round out the program.

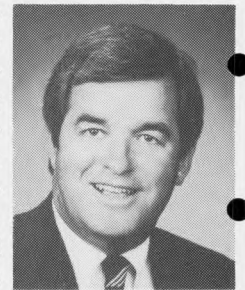
To register or for more information, call the ABA registration coordinator, (202) 663-5214.

oversees the company's nationwide marketing operation.

Omaha Financial Life, a Mutual of Omaha affiliate, offers a variety of mortgage, credit and other insurance coverages through lending institutions and association groups.

Mark Olson Joins Arthur Young Washington Office

Mark W. Olson, the 1986-87 president of the American Bankers Association, has been named a partner and director of banking industry relations for Arthur Young, the international accounting, tax and management consulting firm.



MARK OLSON

He and his family will be relocating to Washington, D.C. subsequent to joining the firm on May 1, 1988. The move further supports Arthur Young's commitment to the commercial banking and financial services industry.

At Arthur Young, Mr. Olson's responsibilities will be to coordinate, and expand the firm's relationships with national and state bank trade organizations, banking regulators and congressional committees with banking oversight responsibilities.

In addition, Mr. Olson will be working with Forrest "Bud" Ward, chairman of Arthur Young's national banking industry group, to develop the firm's nationwide network of professional services for the banking industry and be available to provide consultation to bank senior management.

Mr. Olson has just completed his one-year term as president of the American Bankers Association. He is currently president and chief executive officer of Security State Bank of Fergus Falls, Minn. Mr. Olson has been a banker for 14 years. He said the Olson family, which has had an interest in Security State Bank since 1957, will be selling their interest in the bank.

In addition to serving as the youngest president of the ABA at age 43, Mr. Olson was chairman of the Association's Government Relations Committee, where he acted as advisor and consultant on banking matters to various legislative groups.

IBAA/CUNA Urge FTC to Get Tough with Auto Loan Ads

The Independent Bankers Association of America and the Credit Union National Association have asked the Federal Trade Commission to investigate unfair and deceptive credit advertising by Chrysler Financial Corporation, Ford Motor Credit Company, and General Motors Acceptance Corporation. The two trade groups note in their petition that the cut-rate financing offered by the captive subsidiaries is a blatant violation of the FTC Act, catching consumers in an illegal bait and switch operation.

"The cut-rate loans are played as a boon to the consumer," IBAA's then President Tom Olson said. "But in fact they are a colossal consumer hoax." The cut-rate financing is usually contingent upon a two-year term for the loan, which is atypical when compared to the average 48- to 60-month term.

FTC regulations require that "No statement or illustration should be

used in any advertisement which creates a false impression of the . . . usability . . . of the product offered, or which may otherwise misrepresent the product in such a manner that later, on disclosure of the true facts, the purchaser may be switched from the advertised product to another. Even though the true facts are subsequently made known to the buyer, the law is violated if the first contact or interview is secured by deception."

The Associations seek prompt action by the Commission to prevent any further deception of American consumers.

Omaha Financial Life Marketing Chief Promoted

Bruce Van Nostrand has been elected senior vice president, sales and marketing, for Omaha Financial Life Insurance Company in Minneapolis.

Mr. Van Nostrand joined Omaha Financial Life in 1986 with 22 years of previous insurance experience. He

● Chicago Fed to Host Bank Conference

ALAN Greenspan, chairman of the Board of Governors of the Federal Reserve System, will be the keynote speaker at the Federal Reserve Bank of Chicago's 24th annual Conference on Bank Structure and Competition to be held at the Westin Hotel in Chicago on Thursday, May 12, and Friday, May 13.

The theme for this year's conference is "The Financial Services Industry in the Year 2000: Risk and Efficiency," with a number of sessions focusing on the possible restructuring of financial regulation. Mr. Greenspan will open the conference by discussing financial restructuring from the Federal Reserve's point of view.

Barry F. Sullivan, chairman of the First Chicago Corporation, will be the luncheon speaker on Thursday, and Thomas G. Labrecque, president of Chase Manhattan Corporation, will speak at lunch on Friday, according to Silas Keehn, president of the Chicago Fed.

Other nationally recognized figures appearing on the conference program include Martha R. Seger, member of the Board of Governors of the Federal Reserve System. Ms. Seger will chair a panel of four highly regarded experts on the nation's financial markets, who will discuss "Lessons from October 19, 1987." Scheduled panelists are Joseph Grundfest, SEC commissioner; Merton Miller, the Robert R. McCormick Distinguished Service Professor at the Graduate School of Business, University of Chicago; Robert Glauber, professor of Business Administration and chairman of the Advanced Management Program, Harvard Business School, and Gillian Garcia, who serves on the staff of the Senate Banking Committee and as director of the General Accounting Office's economic analysis group.

Another panel will bring together noted authorities Anna Schwartz, research associate with the National

Bureau of Economic Research, and William Taylor, staff director, division of banking supervision and regulation at the Federal Reserve Board, who will discuss systemic risk and financial restructuring.

On Friday, Mr. Keehn will chair a panel discussion titled "Financial Restructuring: Risk and Efficiency."

Other topics to be discussed at the conference include risk management, economies of scale and scope, and off-balance-sheet activities.

The 1988 conference will continue the established tradition of bringing together financial institution executives, regulators, and academics as a means of stimulating the exchange of ideas from a variety of viewpoints.

Information regarding the conference program, registration, and registration fees is available from the Federal Reserve Bank of Chicago, Bank Structure and Competition Conference—14th Floor, P. O. Box 834, Chicago, Illinois, 60690-0834, or by calling Betty Hortsman, (312) 322-5114.



FARMERS MUTUAL HAIL... STRONG AND SOUND

Farmers Mutual Hail Insurance Company of Iowa repeatedly registers strong growth and positive results.

In 1987, Farmers Mutual Hail, which provides crop hail insurance in thirteen midwestern states, insures poultry in thirty-three states and provides reinsurance internationally, was responsible for a combined premium to exceed \$78 million and increased assets of nearly \$5 million. Admitted Assets totaled \$120 million and Policyholder Surplus netted an increase which exceeded \$4 million, allowing the Company to enjoy a Surplus of \$78 million.

Farmers Mutual Hail represents sound management, quality sales and service and financial stability, maintaining A.M. Best's highest possible rating of "A+" for over twenty-five consecutive years.

Perry Rutledge
President

1987 ANNUAL STATEMENT

ADMITTED ASSETS		LIABILITIES AND SURPLUS	
Bonds: (Amortized)		Reserves for:	
Government	\$26,955,564	Losses and Loss Expense	\$29,298,362
State, County & Municipal	62,659,764	Contingent Commissions	3,156,904
All Others	15,972,773	Taxes (Other than Federal Income)	469,846
Stocks: (Market-N.A.I.C.)		Unearned Premiums	7,128,334
Preferred	26,750	Funds Held Under Reinsurance Treaties	687,848
Common	1,640,277	All Other	918,060
Real Estate-Home Office Building	906,490	TOTAL LIABILITIES	\$41,659,354
Cash and Bank Deposits	2,454,166	Surplus as Regards Policyholders	\$78,345,741
Agents Balances & Reinsurance Receivables	6,247,952		
Interest Due and Accrued	2,122,551		
All Other	1,018,808		
TOTAL ADMITTED ASSETS	\$120,005,095	TOTAL LIABILITIES AND SURPLUS	\$120,005,095

PERRY RUTLEDGE, President
WILLIAM A. (BILL) RUTLEDGE, Secretary & Asst. Vice President

ALBERT B. CARTER, Sr. Vice President & Treasurer

Kirk Gross Company Sponsors Tennis Classic in Florida



THE Kirk Gross Company (of Florida) was a major sponsor for the recent Grand Masters Tennis Classic held at Sea Oaks in Vero Beach, Fla. Tennis legends Fred Stolle, Roy Emerson, Cliff Drysdale, Mal Anderson, Owen Davidson, Bob Hewitt, Marty Mulligan and Marty Riessen participated in the four-day event. All the players are former National Champions and Grand Slam Event winners.

Earlier in the week, Kirk Gross Company executive **Jerry Gross** took part in a pro-am event as part of the Classic. He is pictured in the center of photo at left above with **Bob Hewitt** and **Owen Davidson**, who between them have 11 Wimbledon titles. Numerous bank presidents from the area were in attendance for the event, which was a benefit for the American Cancer Society.

In photo at right, **Scott Fetner, Jr.**, Kirk Gross regional manager from Pensacola, is shown (left) with **Jerry Gross** (right) at courtside under their sponsorship banner with the familiar Kirk Gross Company logo. Mr. Gross moved last year from Waterloo, Ia., home of Kirk Gross Company, to Florida, where he organized and heads Kirk Gross Company of Florida. He resides in Sebastian. Scott Fetner, Jr., the son of Scott and Joanne Fetner of Waterloo, where Mr. Fetner is president and CEO of the National Bank of Waterloo.

United Missouri Reports Kansas City Promotions

United Missouri Bancshares, Inc., Kansas City, has announced the following promotions within the holding company headquarters staff:

Nancy E. Levin and Melinda A. Voss to vice presidents in the marketing department.

Ms. Levin is responsible for development and implementation of marketing campaigns for UMB affiliate banks and the BankCard Center. She joined the bank in 1984. She has a BA degree in history from Smith College and an MA degree in marketing from Boston University.

Ms. Moss coordinates the corporate communications functions for the holding company and its affiliate banks. She joined United Missouri in 1983 and holds a BA degree in Journalism from Kansas State University.

Marty L. James to assistant vice president in loan administration. He

has a BA degree in agricultural business from Northeast Missouri State University. He joined United Missouri Bank of Paris in 1982 and joined the holding company staff in 1986.

Scott D. Baska, George Peter Cole and Jesse H. West to loan administration officers.

Nancy L. Helt and Lisa Letourneau to assistant commercial banking audit officers.

Promotions announced at United Missouri Bank of Kansas City, n.a., the holding company's lead bank, are the following:

Geoffrey E. Lind to executive vice president and Stephen G. West to vice president in the commercial banking division.

Mr. Lind manages loan portfolios and develops new business for the bank. He also acts as secretary to the bank's loan committee. He has a BA degree in business administration and his law degree from the University of Kansas. Mr. Lind was

in private law practice for ten years prior to joining United Missouri in 1985.

Mr. West develops new commercial accounts and services existing accounts for the bank. He holds a BA degree in business administration from Kansas State University. Before joining the holding company in 1985, Mr. West was a bank examiner for the State of Kansas and attended the FDIC school for examiners in Washington, D.C.

Mary Jane Margheim to vice president, supervising the letter of credit operations for the international department, as well as foreign exchange trading. She has a BA degree from Ottawa University and an MA degree in business administration from the University of Kansas.

Mary Moore Curry to assistant vice president, managing activities of the bank's Grand Avenue lobby. She also promotes and sells the bank's retail services. She has been

with the bank since 1984. Mrs. Curry holds a BA degree in German from California State University and has attended the University of Heidelberg in West Germany.

Craig W. Huntley to vice president and division manager and Laurence J. Schmidt to trust operations officer, both in the trust department. Mr. Huntley manages the financial counseling division, which provides financial planning service to trust customers. He has a BA degree and law degree from the University of Kansas.

Winifred J. Spradling to assistant vice president, with responsibility for personal banking and as trust liaison for the State Line facility. She joined UMB in 1976.

Linda F. Poole to assistant vice president. She is assistant manager and operations officer for the Garden Bank facility.

At the affiliated United Missouri Mortgage Company, Harold E. Hatch has been named chief executive officer and will retain his current title of president. He has a BA degree in banking and finance from the University of Missouri—Columbia. Connie S. Millbern and Brian W. Luger have been elected assistant vice presidents in the mortgage company.

IBAA Urges Congress to Tax Large Credit Unions

The Independent Bankers Association of America has recommended to the Congressional tax committees and the newly-appointed National Economic Commission the repeal of the federal income tax exemption for all credit unions with assets of \$5 million or more.

"Tax exempt credit unions are unaffordable at a time when all business institutions must pay their fair share towards reducing the budget deficits," IBAA President Tom Olson said. "It is grossly inequitable to exempt credit unions from taxation when commercial banks and other depository institutions are required to carry an even larger tax load," he added.

The Association charged that the larger credit unions, in particular, often combine their tax-exempt advantage with organizing strategies that circumvent provisions that are supposed to limit credit unions' membership to persons sharing a real "common bond," allowing the

credit unions to offer favorable interest rates on deposits and loans to essentially the same customer base that is served by tax-paying depository institutions.

The \$5 million asset threshold would result in taxation of the larger credit unions with 95 percent of total credit union assets, while retaining the tax-exempt status for about 11,400 smaller credit unions. Repealing the tax exemption for the larger credit unions would increase federal budget receipts by approximately \$1 billion over a three year period, IBAA said.

CIRRUS Adds 46 Members

The board of directors of CIRRUS System, Inc., has approved applications for principal membership from 46 financial organizations—many of them former MasterTeller members. These new members expand CIRRUS's service area to eight countries outside the United States and Canada. They are expected to bring 5,200 ATMs into the network.

CIRRUS ended 1987 with 3,282

members and 18,690 on-line ATMs. By the end of 1988, CIRRUS officials project the network will link 30,500 ATMs and 5,000 financial institutions.

Of the 46 new CIRRUS principal members, 43 are entirely new to the network and three—Citizens & Southern, KETS and ITS—are upgrading their membership status. 35 are former MasterTeller members. Three new members from the Midwest are: Commercial Federal Savings, Omaha, Neb.; ITS, Inc., Des Moines, Ia., and U.S. League of Financial Services, Inc., Chicago, Ill.

Appointed in Colorado

Record Data, a subsidiary of TRW Inc., has announced the appointment of Michael R. Bradley to state manager of operations for its Colorado Statewide Service Center.

Mr. Bradley held the position of title examiner for a major title company in Arizona. In December 1985, he joined Record Data as title officer and advanced to title department supervisor. He was appointed to his current post in December, 1987.

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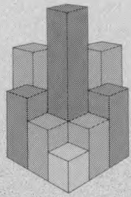
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BANK BUILDING CORPORATION



1988-89 OFFICERS ELECTED at the convention are, from left: Vice Pres.—**Philip Vallandingham**, pres., First State Bank, Barboursville, W. Va.; Exec. Vice-Pres.—**Kenneth Guenther**, Wash., D.C.; Pres.—**J.R. Nunn**, pres., Citizens Bank, Tucumcari, N. Mex.; Chmn.—**Thomas Olson**, pres., Lisco State Bank, Lisco, Neb.; Pres.-Elect—**O. Jay Tomson**, chmn., Citizens National, Charles City, Ia. Not pictured: Treas.—**Ed Sheldon**, pres., Natl. Bank of Bremerton, Wash. **RIGHT**—Part of the “non-banking” activities during the convention!

J.R. Nunn to Head IBAA

By **ROBERT O. CRONIN**
Associate Publisher

A LOHA! Nearly 2,000 bankers and spouses from across the country attended the 1988 IBAA National Convention and Exposition last month in Honolulu, Hawaii. For those fortunate enough to make the journey to the tropical South Pacific, the convention proved a great success with a variety of business and social events, including presentations by national and industry leaders.

Special interest sessions during the three day convention addressed diverse topics on current issues in banking. Bankers also had the opportunity to examine new products and services from industry representatives in the exhibit hall during the convention.

Officers Elected

One of the many highlights of the convention was the election of officers for the coming term. Officers elected to serve in 1988-89 are: President—**J.R. Nunn**, president, Citizens Bank, Tucumcari, N. Mex.; President-Elect—**O. Jay Tomson**, chairman, Citizens National Bank, Charles City, Ia.; Vice President—**Philip Vallandingham**, president, First State Bank, Barboursville, W. Va.; Chairman—**Thomas Olson**, president, Lisco State Bank, Lisco, Neb.; Executive Vice President—**Kenneth Guenther**, Washington, D.C., and Treasurer—**Ed Sheldon**, president, National Bank of Bremer-ton, Wash.

Special Interest Sessions

An entire day during the convention was devoted to a number of special interest sessions. Bankers and spouses had the opportunity to hear the experts cover topics from ESOPs to high performance banking. In all, eleven sessions were held.

One popular session was a forecast of banking over the next ten years, presented by Dr. Douglas Austin, president, Austin & Associates, Toledo, Oh. Dr. Austin said, “Deregulation is really re-regulation and has forced bankers to become better managers, not better golfers.” With the rapid changes in the industry, Dr. Austin said, “by the year 2000, most depository financial institutions will have the same depository lending powers and will look similar.”

In Dr. Austin’s forecast, he sees more bank closings and a move toward a two-tier banking system where there will be big banks and community banks. “The big banks will be competing with each other,” he said, “but community banks can survive through finding their particular niche in the industry.” As part of Dr. Austin’s survival package, he recommends that community banks team up with bank holding companies, “because the holding companies can do things you can’t.”

He also urged bankers seeking survival to take a good look at their bank’s shareholder list, which he called “a time bomb waiting to explode.” (Dr. Austin’s recommendations on this topic were presented at length in his feature which appeared

in the March issue of *THE NORTHWESTERN BANKER*.) Bankers were also encouraged to look into new groups of investors; to be “lean and mean,” creative and innovative, and to understand their shareholders.

General Session

The 1988 convention was chaired and called to order by Thomas Olson. Keeping with the convention theme, “New Horizons—The Challenge of Change,” the first speakers were introduced to cover the topic of new challenges for financial services. This tandem presentation consisted of views from Yasuhiro Maehara, Bank of Japan, Washington, D.C. and futurist Jeffrey Hallett, president TRAC, Inc.

Mr. Maehara, providing an overview of the Japanese banking system, said, “Externally, there is a strong emphasis on market size and share; however, profitability is less important and banks are less concerned with the return for the shareholders.” Looking ahead, Mr. Maehara told his audience, “Japanese banks will become more diversified, specializing in business, concentrating on being information intensive, and capitalizing on organizational strength.”

Through his views, Mr. Hallett provided insight into the future of banking, and said, “We are in the age of twin technologies of information and computer technology.” He said there is social and political power for those who control knowledge and information. As for the future with the Japanese, Mr. Hallett sees a “partnership rather than competition.” In conclusion, he said, “The opportunities are strong. The rate of change will increase, as well



LEFT—Taking part in the IBAA Bankers Panel discussion on "The Washington Scene: The View from Main Street," were, from left: **J. Stephen Schmidt**, chmn., Northern Bank, Anoka, Minn.; **John C. Dean**, pres., Glenwood State Bank, Ia.; **Charles Doyle**, c.e.o., Gulf Natl., Texas City, Tex., and **Kenneth Guenther**, exec. v.p., IBAA, Wash., D.C. **RIGHT**—Addressing the new challenges for financial services in the future were, from left: Moderator **Virginia Dean**, exec. dir., IBAA, Wash., D.C.; **Jeffrey Hallett**, pres., TRAC, Inc., and **Yasuhiro Maehara**, Bank of Japan, Wash. D.C.

as bank competition; however, the ability to cooperate is the key."

Robert Clarke, Comptroller of the Currency, Washington, D.C., spoke during the general session and encouraged those in attendance to "weather the storm." Mr. Clarke said, "Over the last decade or so, the members of this organization have found themselves in a new world—one that is far from the simple and secure world you once knew."

He challenged bankers to set their minds to managing their institutions actively and diligently. He said, "The key to whether banks overcome problems when they arise is related to the bank's management. Establishing and adhering to sound policies and procedures appears to be important to a bank's success." Mr. Clarke concluded that in managing a bank, "what you put into it is what you get out of it."

Via phone hook-up, L. William Seidman, chairman FDIC, Washington, D.C., gave bankers a dose of encouragement by telling them, "Small banks, with 13 percent of the industry's assets, recorded over 57 percent of the industry's profits in

1987!" He continued, "Your brother bankers in the big cities had a really bad year as they finally reserved for loss on Latin American and LDC loans." Mr. Seidman informed his audience that the FDIC "problem list" for small banks "finally began shrinking after six years of growth."

Mr. Seidman said, "Small banks are alive and mostly healthy, although like the industry as a whole they have seen better days." In looking toward the future for small banks, Mr. Seidman sees a tailor-made society for the skills of the community banker. "A benefit will be the increasingly segmented consumer market as the niche generation will have arrived," he said. In conclusion, Mr. Seidman said, "The future doesn't look bad for those banks that see it as an opportunity."

President's Remarks

Presenting his views of the accomplishments obtained by the association, Thomas Olson said that 1987 and 1988 "will go down in history as two of the toughest but also most successful years for community banking in our industry's

history." Mr. Olson applauded the strength of the IBAA in its two legislative victories: the closing of the nonbank-bank loophole and the establishment of a secondary market for farm real estate mortgages.

"The closure of the nonbank-bank loophole," he said, "was a true case of David battling Goliath and a measure of just how far this association has come since our founding."

In conclusion, Mr. Olson outlined three important areas that he deemed "worth fighting for." They are: 1) To maintain fierce pride in the virtues of independence and local community banking. 2) to speak out for competition in Washington and across the country. 3) To adapt amidst change and hardship few could have imagined possible ten years ago. "The community independent banking system is based on vision; it is a value deep-rooted within the values of our communities," he said.

Mark your calendars for next year, when the 1989 IBAA Convention will be held February 26 to March 2 in Anaheim, Calif. □



LEFT—Visiting prior to his presentation on "Banking in the 1990s" is **Dr. Douglas V. Austin**, pres., Austin & Assoc., Toledo, Oh. **RIGHT**—**Ken Kirchman**, pres., Kirchman Corp., Altamonte, Fla., left, shows off his company's door prize, a full length mink coat. Hoping to be the lucky recipients are **Margie** and **Joe Hiatt**, chmn., American State, Charleston, Ark.



LEFT—Enjoying the evening festivities were, from left: **Jim Russell**, v.p., American Natl., St. Paul and **Kay**; **Kathy** and **Joe Kingman**, pres., American Natl., and **Judy** and **Larry Solarz**, pres., Lake City State Bank, Minn. RIGHT—Visiting during the opening night reception were, from left: **Patricia** and **O. Jay Tomson**, IBAA pres.-elect and chmn., Citizens Natl., Charles City, Ia., with **Bonnie** and **Gordon Wold**, pres., Poweshiek County Sav., Brooklyn, Ia.



LEFT—Nebraska bankers in attendance included, from left: **Patty** and **Bill McQuillan**, c.e.o., City Natl., Greeley; IBAA Chmn. **Tom Olson**, pres., Lisco State Bank, with **Joyce** and **Bill Olson**, pres., Nebraska State Bank, Oshkosh. RIGHT—Representing the state of Minnesota were, from left: **Eric Carlson**, v.p., First State Bank, Sauk Centre, and **Barbara** with **Marion** IBoM Pres. **Ed Zapp**, v.p., Zapp Natl., St. Cloud.



LEFT—At the Bank Building Corp. exhibit were, from left: **Pat Fussner**, St. Louis; **Bob Owens**, Denver, and guest, **Joyce Lomma**, First Natl., Jermyn, Pa. RIGHT—Also exhibiting their wares were these folks from Modern Banking Systems, Inc. They are, from left: **Ken Conrad**, Wis.; **Bill Pierce**, Omaha; **Bob Friend**, Omaha, and **Dan Cronin**, Omaha.



LEFT—Talking shop are, from left: **Jerral Balman**, pres., First Natl., Flagler, Colo.; **Dave Anderson**, pres., Rec-Check, Inc. Nevada, Ia., and **Roger Loerch**, pres., Manson State Bank, Ia. RIGHT—Representing Travelers Express Co. are, from left: **Don Dix**, **Robin Brahjell**, and **Robert Brass**, all from Mpls., Minn.



PRIOR to World War II, the bank lobby was reminiscent of a fortress. Efficiency was often a secondary consideration to security. The rich dark mahogany and marble used to decorate this lobby were elegant but unfriendly when combined with dimly lit interiors and iron bars.

75 years of bank design: from customer-proof to customer-friendly

By **TOM WILLIAMSON**
Director of Marketing and Sales
Bank Building Corporation

BANKING has changed radically in the past 75 years. And nowhere is this change more apparent than in the requirements banks have for their facilities. The banker of 1988 demands, first and foremost, that his facility be customer-oriented. He knows that his bank must be an inviting, convenient and comfortable place to do business. The facility itself should be highly functional. It must provide a multitude of services with a minimum of personnel and expense.

Though the idea of a "customer-friendly" facility is almost a given in modern banking, it is a relatively recent innovation. 75 years ago, banks were deliberately built to be Roman temples of finance. Impressive in their high ceilings, heavy ornamentation and rich use of mahogany and marble, they projected an aura of security and success.

Unfortunately, they were also dark, inefficient and unfriendly. They were bulletproof and very nearly customer-proof.

The transition from customer-proof to customer-friendly began shortly before the Second World War. It was spearheaded by Bank Building Corporation, St. Louis, Mo. The company was founded in 1913 and is celebrating its 75th anniversary this year.

Bank Building has always been in the forefront of innovation in financial facilities design. Over the years, this tradition of innovation has led to the development of the open, consumer-oriented lobby, the branch bank, drive-ups, and the modern teller station.

The company's history offers the unique perspective of hands-on experience with the changes that have overtaken banking and bank design in the past 75 years.



THE OPEN lobby concept, first developed and promoted by Bank Building Corporation, changed bank lobbies forever from dimly lit, inefficient rooms to bright, inviting space that was also highly functional in design. Bank Building designers give full expression to the prevailing architectural styles of the day when appropriate for the image their clients wish to project.

From Fixtures to Design/Build

Bank Building has prospered over the years by serving the specialized needs of its customers. When founded in 1913, they specialized in manufacturing and installing fine wood cabinets, teller cages, and other wood fixtures that were standard features for banks of the period. By the close of World War I, the company had added vaults, massive iron bars and gates and other metal products to the line.

Even more important, the end of the first war found the company offering planning, design and construction services. The decision to add these services gave them a unique opportunity to solve all the facilities-related problems of their specialized clientele.

Between the Wars

In practice, bank architecture changed little from 1913 through the end of World War II. The stock market crash, the ensuing depression and the war itself all tended to discourage experimentation in facility design.

Though bankers remained conservative, fundamental changes in public attitudes toward banking were taking place that would require a fresh approach. Legislation establishing the Federal Deposit Insurance Corporation reassured the public that their money was secure in a bank. Bankers for their part began to realize that to woo back customers scarred by the experiences of the depression, they would have to court them.

Bank Building applied the specialized expertise gained through work on thousands of projects for bank clients in researching the impact these changes would have on operations and customer service delivery. This research led to a simple concept that was nevertheless radical for its time: Banks are retail institutions that must market their services to prosper. The appearance and efficiency of their facilities is central to achieving this objective.

Calling it "functional planning," Bank Building developed and promoted the now-universal ideas of space planning for efficiency and attractiveness. Company personnel argued that the cold, formidable lobbies and fortress-like buildings were monuments to poor customer service. Bank officers began to realize that they needed to be seen as less remote, less distant. Their facilities needed to be better lit, more open, and more welcoming to customers.

The Postwar Boom

These ideas did not really take hold until the close of the war, which had put a virtual halt to bank construction.

The postwar years with their tremendous growth, unprecedented prosperity and huge shifts in population to the suburbs and the west, ushered in a period of massive growth and change for the financial services industry that continues today.

Competition intensified as customers became more sophisticated. The need for new facilities had never been more apparent. Financial industry executives responded by embracing the functional planning concept.

Bank Building Corporation designers were able to give full vent to their creative abilities, leading the way



THE RICH use of woods and subtle use of detail seen in this lobby designed by Bank Building Corporation for a branch of the Chicago Bank of Commerce are reminiscent of the bank lobby of the 1920s. The difference is seen in the warmth and openness the designers achieved with lighter woods and selective use of color and art.

in creating new architecture that was recognizably that of a financial institution, yet could take full advantage of the service-oriented, customer-friendly functional design concepts the firm had pioneered.

Barriers in the lobby separating officer and customer gradually fell, then disappeared altogether. Teller cages shed their grilles. The vault gave up its costly central location to make room for more services.

One of the major challenges of the postwar years involved accommodating the profound impact the automobile would have on how Americans bank. Again a pioneer in anticipating these changes, Bank Building research led to installation of the first drive-up teller unit and contributed to the widespread proliferation of the full-service branch bank.

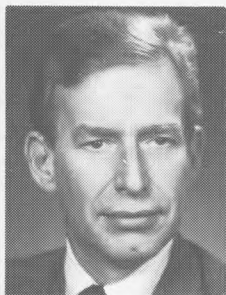
A Look at the Future

Banking trends first set in place immediately following the war have accelerated at a dizzying pace in the past 25 years. More than ever before, bankers must view marketing as a central component of their competitive strategy. They are competing in an arena shaped by deregulation, the rapid centralization of the banking and savings and loan industries, and the maturation of the credit union movement.

Facilities have moved to the center of the overall competitive strategy. They establish an institution's image, its ability to respond effectively to growth and change; the profitability of its operations; and even the morale and productivity of its employees.

The days when a banker can rely on his local architect to anticipate all of his facility needs are over. Specialized expertise will be required to develop and execute timely, innovative, cost-effective design concepts that meet the demand for more efficient, flexible and productive facilities.

Increasingly, experience, capabilities in research and planning, and the willingness of architects, designers and estimators to exploit new technologies on behalf of their clients, will be required to create facilities that will be the cornerstone of their competitive edge in the marketplace. □



Written especially for
THE NORTHWESTERN BANKER
By **DR. DOUGLAS V. AUSTIN**
President and CEO
Austin Associates
Toledo, Ohio

and
Professor
Department of Finance
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The University of Toledo
Toledo, Ohio

FOR MANY OF YOU, bad loan problems are now behind you and your organizations are itching to expand again. Assuming that you have adequate capital and earnings are returning to predepressed levels, there is a tendency to be on the move to acquire other financial institutions; especially with increasing interest in interstate banking within the country on a reciprocal basis and with the spectre of national banking just over the horizon. On the other hand, some of you have returned to capital adequacy, earnings have improved, but the overall condition is such that you are thinking of selling your bank/bank holding company in the foreseeable future.

In recent months, many members of boards of directors have asked me directly or indirectly, "What is the role of the board of directors in the commercial bank's/bank holding company's involvement with acquiring other banking institutions, or becoming the target of another institution?"

This article is intended to give you a practical business orientation regarding your role as a board member if your organization anticipates becoming an acquirer or, conversely, when you discover that you are the target of another organization. Since the NORTHWESTERN BANKER is distributed over at least ten states, differences between individual state laws may have an impact on the requirements of the board of directors. The bank's board of directors should seek competent professional help to make decisions of critical importance to the institution.

Board's role in mergers and acquisitions:

... acquired and/or target

Exploding Myths

At the outset, let us explode some myths which seem to be rattling around in the banking industry:

Myth No. 1: If you receive an offer, you must take it to your shareholders.

In most jurisdictions there is no requirement that an offer must be given to shareholders for approval or disapproval. Board members are elected by the shareholders to direct and supervise the bank, not sell it. If an offer is received and, after deliberate analysis, it is decided it should be sent on to the shareholders for approval, then you should vote as such. If the written offer is legitimate, comes from a legitimate organization and, for purposes of example, is in the form of cash at a price four times your book value, then dismissing the offer is not prudent. On the other hand, you are under no pressure to recommend approval from the board of directors to the shareholders until you have analyzed the offer in significant detail, used professional counselors to assist you in such analysis, and reached a decision on a deliberate basis at the board of directors' level. In essence, your decision will be based upon whether you, as an independent organization, can "do better on your own" than the rewards given by the offer. If you can, you can reject the offer after analysis. If you can't, then perhaps the board should accept the offer and allow the shareholders to vote on it.

If the acquirer proposes to the board a transaction which contemplates the board's approval of a statutory or business combination, the directors are, in effect, being asked to enter into a contract to sell the bank. The contract, after approval by the board, is then submitted to the shareholders for approval as required by law. As a matter of law, the board cannot generally pass the contract onto the shareholders for action without first "approving" it themselves. Thus, if the board believes the contract is not in the best interest of the shareholders, they then reject the proposal. An acquirer may then approach the shareholders who are free to sell their shares, subject to various federal and state laws governing direct acquisition of control. Generally, the target company's board has an obligation to state publicly its position on any proposed "tender offers."

● **Myth No. 2: When is an offer an offer?**

Not all offers are offers. Legal counsel will differ as to when an offer has been received, but let's talk about several factors. While each circumstance must be treated on a case-by-case basis, it is generally agreed that to be legitimate an "offer" must contain the following elements:

1. The offer must be in writing;
2. It must designate who the buyer is;
3. The offer must contain an indication of the consideration to be paid;
4. The offer must contain an indication of the assets sought to be acquired;
5. The offer must allow the target bank to accept the offer.

● Any one or more of the items noted above may be absent in a given situation and the board may still have a duty of "investigation." Facts and circumstances, such as the apparent seriousness of the acquirer, the capacity of the acquirer to perform, the character of the acquirer, and others must be considered in conjunction with the items noted above.

● **Myth No. 3: All legitimate offers have to be reacted to under the time conditions set by the acquiring organization.**

● That is not correct. If you are on the receiving end of an offer to purchase your organization, more recent cases indicate clearly that you have a "reasonable" period of time to make a rational decision regarding the offer under the business judgment rule. The business judgment rule can be defined for our purposes as a decision that would be made by reasonable people acting prudently with deliberation, a lack of self-dealing and/or conflicts of interest, and all of the information available at the time of the decision. Add to these ingredients the utilization of outside experts to assist the board in reaching such a decision and you have the makings of a decision which will be protected by the Business Judgment Rule.

● The now famous *Smith v. VanGorkem* case, settled by the Supreme Court of the State of Delaware in 1985, found the directors liable of breaching their fiduciary duty by violating the Business Judgment Rule by selling out their institution within two and a half hours, having no outside valuation done of the proposed offer, having no inside management valuation of the proposed offer, and actually agreeing to sell the organization without even having any letters of intent or merger agreements to inspect before agreeing to sell.

● **What the Board Should Do: From the Acquirer's Viewpoint**

● Mergers and acquisitions are a way of life in the banking industry. During the first nine months of 1987, there were over 264 mergers and acquisitions that were in process or had been consummated. Mergers and acquisitions have averaged between 300 and 400 since the start of the decade. Acquiring organizations, most frequently commercial bank holding companies, use mergers and acquisitions as a part of their business strategy.

● You, as directors of a commercial bank and/or bank holding company which utilizes mergers and/or

holding company acquisitions as a significant means of external growth, have control over such activity but will delegate the actual pursuit of targets to your management. In most cases you, as a board of directors, will dictate the general parameters within which your senior management can sign letters of intent. In most cases, you should reserve the final authority for signing the specific agreements to merge/affiliate.

You, as board members, are not responsible for pursuing and tracking down merger targets. You are in charge of policy, not attempting to be an African big game hunter. You should stay aloof from the pursuit, the negotiations and often the heat of the situation; especially in order to be able to make a solid business judgment at the conclusion of the chase. You should leave the attempt to gain additional banks and/or affiliates to your professional management.

"If you are selling, keep one thing in mind—you are an amateur and the buyers are professionals. Even up the odds by retaining professionals to assist you."

The most important role you can play as the director of a banking organization which is desirous of acquiring additional banks is to act as a check and balance to your senior management, who may get carried away with the chase. As long as the board of directors determines the parameters of the merger and acquisition and strategic plan, such as the number of affiliates that you can digest and consolidate at one time, the prices you can pay, the types of consideration you can use and type of dilution that your shareholders can tolerate, then your management should be given the professional responsibility for determining which target banks best fit your overall merger and acquisition plan.

Your job as a member of the board is to determine the merger and acquisition and strategic plan and then analyze the results of the pursuit of the targets at the time the letter of intent is signed and, more especially, the terms of the specific agreement itself. In order to be able to achieve efficiencies, you can delegate the signing of a letter of intent to the senior management, while reserving the final approval of the merger and/or acquisition to the signing of the specific agreement.

Your major duty as the board of directors of the acquiring organization is to make sure that your senior management and you directors are surrounded by competent professional help to assist you in meeting the requirements of all state and federal laws concerning mergers and acquisitions, as well as complying with all state and/or federal securities laws and regulations and the understanding of all of the internal revenue service code ramifications of the transaction.

● **The Role of the Board of Directors in Mergers and Acquisitions: From the Willing Sellers Directors' Viewpoint**

If you are a member of the board of directors of a

“You should always keep in mind that you control the situation. Your professional counsel and investment bankers work for you, and do not have the authority to bind you as members of the board of directors.”

commercial bank/bank holding company which has decided to sell, you should keep one thing in mind—you are an amateur and the buyers are professionals. Your responsibility is to even up the odds by retaining investment bankers, legal counsel, financial consultants and/or CPAs to assist in the selling of your bank for the only time (you hope) that it will ever be sold. Unlike the acquiring bank management's role, your bank management should not be out attempting to sell your organization since they, too, are, in most cases, amateurs. They should be delegated the responsibility of providing the necessary information to your investment banker, the bidding corporations, and to assist in the negotiations. Your selling bank/bank holding company's management may be needing a job when the sale of the organization is over, and they may not, or will not, or cannot be objective. It is best for you as members of the board of directors to make sure that your professional help negotiates on your behalf after you have told them exactly what you want out of the transaction, and to present to you the results of the negotiation for your approval.

Directors Control the Situation

You should always keep in mind that you control the situation. Your professional counsel and investment bankers and others work for you, and they do not have the authority to bind you as members of the board of directors. On the other hand, they should have the discretion once you give them the parameters of what you want out of the transaction, to do the job on your behalf.

A committee of outside directors is a useful vehicle for accomplishing the tasks which need to be accomplished in the transaction. This committee cannot bind the board, but it can act as a stabilization point during the negotiations. Furthermore, it reinforces the work of the investment banker in translating what went on during the negotiations to the full board, so all parties agree that full disclosure of everything that went on that is significant, has been transmitted to the board of directors. The committee can be made up of knowledgeable board members who have no long-term conflicts of interest and/or self-dealing involvement with the transaction.

Furthermore, working with a small negotiating committee of three board members makes the transaction go much faster, eliminates the problem of the selling bank wallowing dead in the water without momentum, and keeps the amount of leakage during the confidential sale transaction to an extreme minimum. Involvement of your entire board will precipitate leaks within the staff, the community, and may cause not only embarrassment, but possible liability. The fewer people involved, the better off you are. The board gives away nothing, since it has the final right of approval.

The Role of the Board of Directors in Mergers and Acquisitions: From the Unwilling Board's Viewpoint

Not all mergers and acquisitions are met with enthusiastic response from target banks, management and/or board of directors. During the period 1980 through 1986, 47 financial institutions were attacked by hostile takeovers. Currently, the most notorious hostile takeover is the Bank of New York attempting to take over Irving Trust.

What is your role as a board of directors in case you receive an unsolicited takeover and you are not willing to sell? The space within this commentary does not permit an exhaustive answer to this question but, if you feel interested enough to pursue it further, see Dr. Douglas V. Austin, "Fending Off Unfriendly Takeovers," *Bankers Monthly*, November 1986, pp. 23-26, 43. Summarily stated, you will probably be unsuccessful if you don't have your strategic plan for defense of your organization in place prior to the unsolicited offer.

The only completely successful defense is complete ownership of the bank in friendly hands, with agreements among the shareholders which bind all parties to either a friendly sale or no sale. However, in most community banks, this is not a reasonable or realistic alternative. If you are not a bank holding company, you are going to be less protected from a defensive posture than if you are. Most jurisdictions do not give the same degree of antitakeover comfort to commercial banks that they do for bank holding company corporations. If you are absolutely insistent on remaining independent, make sure that your Articles of Incorporation of your bank holding company include antitakeover measures such as:

- A Supermajority Clause which triggers a higher hurdle for approval if an unsolicited offer arrives at your bank holding company;
- A fair price provision which forces the acquiring organization to treat all of your shareholders fairly;
- Staggered or classified boards of directors which slow down attempts to take over your corporation on a creeping basis;
- Residency clauses which force members of the board of directors to be local residents.

These are not all of the antitakeover measures you can implement. Recent literature on this subject has been plentiful and should be read by you, your senior management and professional counselors if you desire to protect yourself. The most important ingredient is to make sure that you have your defensive tactics in mind *prior* to the attack. If you are attacked and wish to remain independent, then the retained professional counsel that you have hired previously should be set to work. Again, the bidder is probably going to be a pro-

● fessional and you, as amateurs, will get killed if you attempt to defend yourself without utilization of the best professionals possible. However, always keep in mind that if you resist the corporate acquisition on emotional grounds with completely irrational behavior, you may open yourself up to significant liability from your shareholders who have decided that this merger or acquisition of your bank is in their best interest.

● Board members are always asking me how they can avoid being sued. There is only one way: Quit being a board member. The appropriate use of your counsel, investment bankers, financial consultants, and others with expertise in defending against takeovers, will assist you in avoiding the charges of corporate waste, self dealing and conflicts of interest. You should be kept apprised on a daily or weekly basis, given the circumstances, and you should be briefed as often as possible to assure you as boards of directors that you have the full and accurate information concerning the transaction.

● **“Retain professional assistance which will competently assist you to buy, sell or resist.”**

● Repeatedly, you will have to make decisions as the course of the corporate warfare takes place, and you should deliberate and make such decisions based upon the fullest information possible. Your involvement will be more complex than during normal operations of your organization, and you should be absolutely aware that your personal business, trips with family, and other so-called “important” events in your life, may have to take a back seat for one to three months while the acquisitions are surrounding your bank. The stress and strain will go away in time, but during that period of time you are on the “hot seat,” you will be extremely involved with your bank/bank holding company and its outcome. You should know that you will probably

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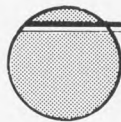
● Additional information or order forms are available by calling the ABA Community Bankers Council at (202) 663-5121.

have to sacrifice a lot of other parts of your normal life in order to fulfill your responsibility as a director.

Concluding Remarks

In essence, whether your organization is acquiring, selling or under attack, you are still responsible to your shareholders for sound policy and direction, and that means successful conclusion of the transaction. If you keep the following things in mind, your role as a board member will be much easier:

1. Plan, plan, plan—whether you are buying, selling or resisting, it is necessary to know where you are going and have it planned out as thoroughly as possible with many alternatives available to take into consideration all possible different scenarios.
2. Retain professional assistance which will competently assist you to buy, sell or resist.
3. Remember at all times that you are in control and that your professional assistants, whether outside counsel, consultants, investment bankers or your internal senior management, work for you.
4. Stay out of the day-to-day acquiring and/or selling. Delegate this responsibility to the professionals, and hold them accountable.
5. Make sure that you are briefed on a regular basis and have full and accurate information in order to make your decisions.
6. Keep in mind at all times that you have enough time to make a sound business judgment, whether you are buying, selling or resisting. Don't be in a hurry to sell the farm or to buy another turkey. You should make sure that the decision is appropriate and that in all good conscience you believe the decision is correct with all information you have available at the time you make the decision.
7. Once having made the decision, don't second-guess yourself. You can always change your mind when circumstances arise that force such a change.



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Bank Becomes Ballroom



STUDENTS from Trevor G. Browne High School in Phoenix enjoy the facilities of Valley National Bank of Arizona, as the concourse of Valley Bank Center serves as a ballroom for their prom.

VALLEY National Bank of Arizona, Phoenix, has been making most ingenious use of its facilities lately, with the help of flowers, candles, balloons and dance music. The bank has offered use of the concourse of Valley Bank Center in downtown Phoenix as a ballroom for local high school proms.

This is the third year in a row that prom committees have been able to arrange for the facilities, which have accommodated from 200 to 700 teenagers at a time, and could hold more.

Assistance with the festivities is provided by The Golden Eagle, the Marriott/Saga owned restaurant which occupies the 37th floor of the bank building. On the big night the restaurant caters the dance with hors d'oeuvres, cake, and beverages. They provide help in decorating, and also offer a special pre-prom dinner atop the building.

The marble, stone and glass ambience of the tallest building in Arizona provides an elegant atmosphere. Linen-covered tables and candles transform the concourse into a perfect ballroom, and dance music is provided by a deejay.

Four local high schools used the bank facilities for their spring dances in 1987, proving that this space originally designed for business works just as well for pleasure.

Editor's Note: If your bank is making unusual use of its facilities in service to the community, or if it in some way honors local high school graduates, THE NORTHWESTERN BANKER is eager to share such activities with its readers. Send details and photographs to us at 1535 Linden Street, Des Moines, IA 50309.

Moderate Growth Predicted for Ninth District Nonfarm Economy

THE nonfarm economy of the Ninth Federal Reserve District is expected to grow at moderate rates over the next two years, according to a set of economic forecasting models maintained by research eco-

nomists at the Federal Reserve Bank of Minneapolis.

Nonfarm employment in the district actually grew two and a half times faster than the models had predicted during the fourth quarter.

The 4.4 percent rate of growth was spread across the district and exceeded historical average growth everywhere except in the Upper Peninsula of Michigan. Especially strong were all the service and wholesale-retail trade sectors and the manufacturing sectors in South Dakota, Minnesota, and Wisconsin. At the same time, district unemployment rates all rose considerably—partly due to rapid labor force growth.

The fourth-quarter strength and the apparently improved national economic outlook have made the district models' forecast more optimistic. Last fall these models projected a slight decline in district nonfarm employment in 1988. Now they predict a 1.4 percent expansion. The expansion is expected to be fairly uniform across the district, with growth ranging from 0.7 percent in Wisconsin to 2 percent in Minnesota. It is generally expected to continue at about the same rates in 1989.

Fed economist Dick Todd says that ag incomes and exports were up sharply in 1987 and are likely to remain strong in 1988. If they do, they will continue to help stimulate the service and trade industries throughout the district.

The model's forecasts are published each quarter in *District Economic Conditions*, a newsletter produced by the Minneapolis Fed's research department.

Planning by Videotape

Manufacturers Hanover Trust Co., New York, has announced that its highly successful series of financial planning seminars will now be available to consumers on videocassette.

MHT is currently offering videocassettes on four different financial planning topics: Principles of Financial Planning, Financial Planning After 50, Low Risk Savings and Investments, and Home Buying.

"Having the information to make one's own financial decisions is fundamental to successful personal money management," said Thomas Conlin, vice president in charge of MHT's Financial Planning Services.

Consumers can purchase the VHS cassettes by mail or using a credit card over the telephone. The cost per cassette is \$39.95.

• Two Announce for ABA President-Elect

TWO bankers have announced their candidacies for the office of president-elect of the American Bankers Association for the election to take place at the ABA convention next October in Honolulu. They are:

- C.G. (Kelly) Holthus, 54, president and CEO, First National Bank of York, Neb.

- Alan R. Tubbs, 43, president and CEO, First Central State Bank in DeWitt, Ia., and executive vice president and chairman of the executive committee at Maquoketa State Bank in Maquoketa, Ia.

Nominations for all bankers interested in the president-elect position are considered by the ABA nominating committee, which is chaired each year by the ABA immediate past president. The chairman this year is Mark W. Olson, ABA president in 1986-87, and president of Security State Bank of Fergus Falls, Minn. That committee must recommend its proposed slate no later than June 1, to be voted on at the annual convention in Honolulu next October.

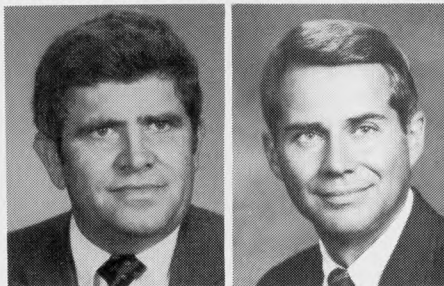
The new president-elect will succeed to the office held presently by Thomas Rideout, vice chairman of First Union National Bank in Charlotte, N.C. Mr. Rideout is scheduled to become ABA president at the October convention, succeeding Charles Pistor, vice chairman of First Republic Bank Corp., Dallas, who has served as president since the ABA election last October.

C.G. (Kelly) Holthus

Mr. Holthus is a native of Bertrand, Neb., where he was born September 19, 1933, and where he started his 35-year banking career in 1953 as a bookkeeper at the Bank of Bertrand. He resigned as cashier and a director in 1964 to become vice president and cashier at American National Bank in Kimball. The following year he was named cashier of First National Bank in York, later becoming vice president, cashier and director. Mr. Holthus was elected president and CEO of First National in 1977. Three affiliated banks in Bradshaw, McCool Junction and Waco were merged into First National Bank of York in 1985 and are operated as full-service branch offices of First National. The First National now has \$123 million in assets.

Mr. Holthus also is secretary-treasurer and director of First York Ban Corp., the First National's holding company which also owns First Trust Company of York. He also serves as vice president of the trust company, which has assets of approximately \$48 million.

Mr. Holthus has been very active in the Nebraska Bankers Association and the American Bankers Association. He has been a member of the NBA executive council since 1984, and has served as chairman of the NBA Economic Development Task Force since 1986. Mr. Holthus became vice president of the NBA in 1985 and was elected president of the NBA in 1986, continuing on the executive council as immediate past president until the annual convention next month. He also served as president of the Nebraska Bankers Insurance & Services Co. in 1986-87.



C.G. HOLTHUS

A.R. TUBBS

Mr. Holthus has played an active role in ABA ag and community banking affairs for the past four years. He was appointed for a two-year term to the ABA Community Bankers Council, on which he presently serves. He was also appointed in 1987 as a member of the ABA Government Relations Council. Mr. Holthus served in 1987 as a member of the ABA Secondary Market Task Force, a key committee whose work culminated in the proposal for a secondary market for ag real estate loans. That proposal was incorporated into the FCS rescue bill approved by Congress and signed into law recently by the President.

Mr. Holthus was a director from 1984-86 of the Nebraska Electronic Transfer System. He serves presently on the Ag School Advisory Board for the three-state Schools of Banking, Inc. He has a long list of civic and church endeavors in which he has been involved.

Mr. Holthus attended the University of Nebraska and is a 1970

graduate of the Graduate School of Banking at the University of Wisconsin.

Alan R. Tubbs

Mr. Tubbs was reared on a grain and livestock farm in eastern Iowa. His father, Edward L. Tubbs, is a long-time Iowa banker and is chairman of the Maquoketa State Bank and chairman of the executive committee of First Central State Bank in DeWitt. Edward L. Tubbs also serves presently as Iowa superintendent of banking. Like his father, Alan Tubbs received a BS degree in agriculture from Iowa State University, graduating in 1966. He attended ISU on a basketball scholarship, earning five varsity letters in basketball and baseball. He is president of the ISU Varsity Lettermen's Club and is a member of Gamma Sigma Delta agriculture honorary.

Mr. Tubbs continued his education at Cornell University where he received his MS degree in Agriculture Economics and Business in 1968 and his PhD in those fields in 1971. He was the recipient of the Edwin G. Nourse Award for outstanding Ph.D. on Agriculture Cooperation in 1971 by the American Institute of Cooperation. He was named a member of Phi Kappa Phi scholastic honorary.

Mr. Tubbs was assistant professor and extension economist from 1970 to 1972 at Oklahoma State University, also serving as faculty representative to the Oklahoma Bankers Association. He left the teaching field to join First Central State Bank in DeWitt in 1972 as executive vice president and CEO. He was named president and CEO in 1976. First Central State now has \$37 million in assets. He was elected executive vice president and chairman of the executive committee of the \$100 million asset Maquoketa State Bank in 1985.

After working on the Iowa Bankers Association agriculture committee, Mr. Tubbs later served as its chairman in 1977. He headed an IBA Ag Task Force in 1984-85 and was an IBA annual convention speaker at six state conventions—1977, 1981 and 1983-86.

His work with ABA began as a member of the Agricultural Conference Planning Committee in

ABA CANDIDATES...
(Turn to page 30, please)

Time was when banking simply meant 'deposits in,' 'loans out.' No more.



Now, you need a correspondent
who knows all the ins and outs.

Not too many years ago interest rates were stable, loan demand was strong and borrowers provided a high quality loan portfolio. Overline assistance was needed. Marquette Bank was there.

Today interest rates fluctuate, loan demand is soft and making new loans is a very selective process. Your investment portfolio now must provide more of your bank's income. Marquette Bank is there.

Correspondent Bankers and Investment Counselors teamed in a coordinated effort. People who've proven their skills to our customers for years. People who care about your business and take the time to understand and execute your investment philosophy.

If you're looking for a bank with the experience to know all the ins and outs of successful banking, look to Marquette.

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National Wats 800-328-8155



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



Jorstad Named Pres. at Caledonia Bank

Minnesota Bankers Association President James R. Jorstad has been appointed president of Minnesota Bank, N.A. in Caledonia. He was formerly the president of Citizens State Bank in Hayfield. The Hayfield and Caledonia banks are members of an eight bank group managed by Corporate Bank Services, Inc., St. Paul.



J. JORSTAD

Elected in Mapleton

At First National Bank, Mapleton, J. R. Starkey has been elected chairman of the board. He succeeds Robert C. King, who passed away January 20. Robert L. Schuett was elected president and cashier. Mr. Starkey joined the bank in 1941 and Mr. Schuett, 1961.

Appointed in Stephen

At Farmers State Bank of Stephen, R.C. Johnson has been appointed vice chairman of the board. He had been president of the bank.

Robert A. Brodin has been appointed president and cashier. He joined the bank last year as vice president.

Lloyd J. Wang has joined Farmers State as vice president. Previously he was employed by the Farm Credit Services for eight years as a loan officer and credit manager.

Richard F. Bolduc has been appointed assistant vice president from assistant cashier. He is also manager of the Farmers State Insurance Agency.

Pres. Named in Silver Lake

Arvid B. Evensvold has been named president and a director of the Citizens State Bank of Silver Lake. He will also assume those duties at the First State Bank of Lake Wilson, an affiliate of the Silver Lake bank. Mr. Evensvold recently left his position as president of the Hawkeye State Bank in Iowa City, Ia. Prior to that, he was chairman and president of the First National Bank of Hastings, Minn. for 14 years.



A.B. EVENSVOLD

Floyd Lhotka, who had been serving as acting president since last September, was named senior vice president. He has been on the bank staff since 1956.

Changes Told in Winona

J.T. Biesanz, chairman of the board of Merchants National Bank, Winona, was honored recently for 22 years of service. He announced he will be retiring to pursue new interests in Florida.

Elected to succeed him as chairman was board member R.J. Pope.



S. BIESANZ

F. CISEWSKI

Newly elected to the board were Francis A. Cisewski and Scott K. Biesanz. Mr. Cisewski is president of Kujak Transport Incorporated and Hiawatha Truck Leasing. Mr. Biesanz is president of Goodson Manufacturing Company.

Norwest Banks Merged

Effective January 1, three Norwest banks have been merged into Norwest Bank Minnesota West, N.A. They are Norwest banks in Moorhead, Fergus Falls and Thief River Falls.

Allan Severson will serve as chairman and CEO of the bank. Presi-

dents of the three offices are Charles Kretchman, Fergus Falls; Kermit Alvshere, Moorhead, and Roger Reuter, Thief River Falls.

The new bank has assets of approximately \$257 million.

Promoted in Bemidji

At First National Bank of Bemidji, Darlene Dillon has been named operations officer. She had been auditor of the bank since 1974.



D. DILLON

C. SEADO

Chere Seado has been appointed personnel director. She joined the bank in 1964 and previously served as installment loan officer and supervisor of loan tellers and loan support staff.

Sargeant, Brownsdale Banks Combine

Dale C. Madison, president of the First American State Bank, has announced the combining of two long-time Mower County banks, the First American State Bank of Sargeant and its counterpart, the First American State Bank of Brownsdale. The resulting bank will be known as First American State Bank, with offices in the two cities.

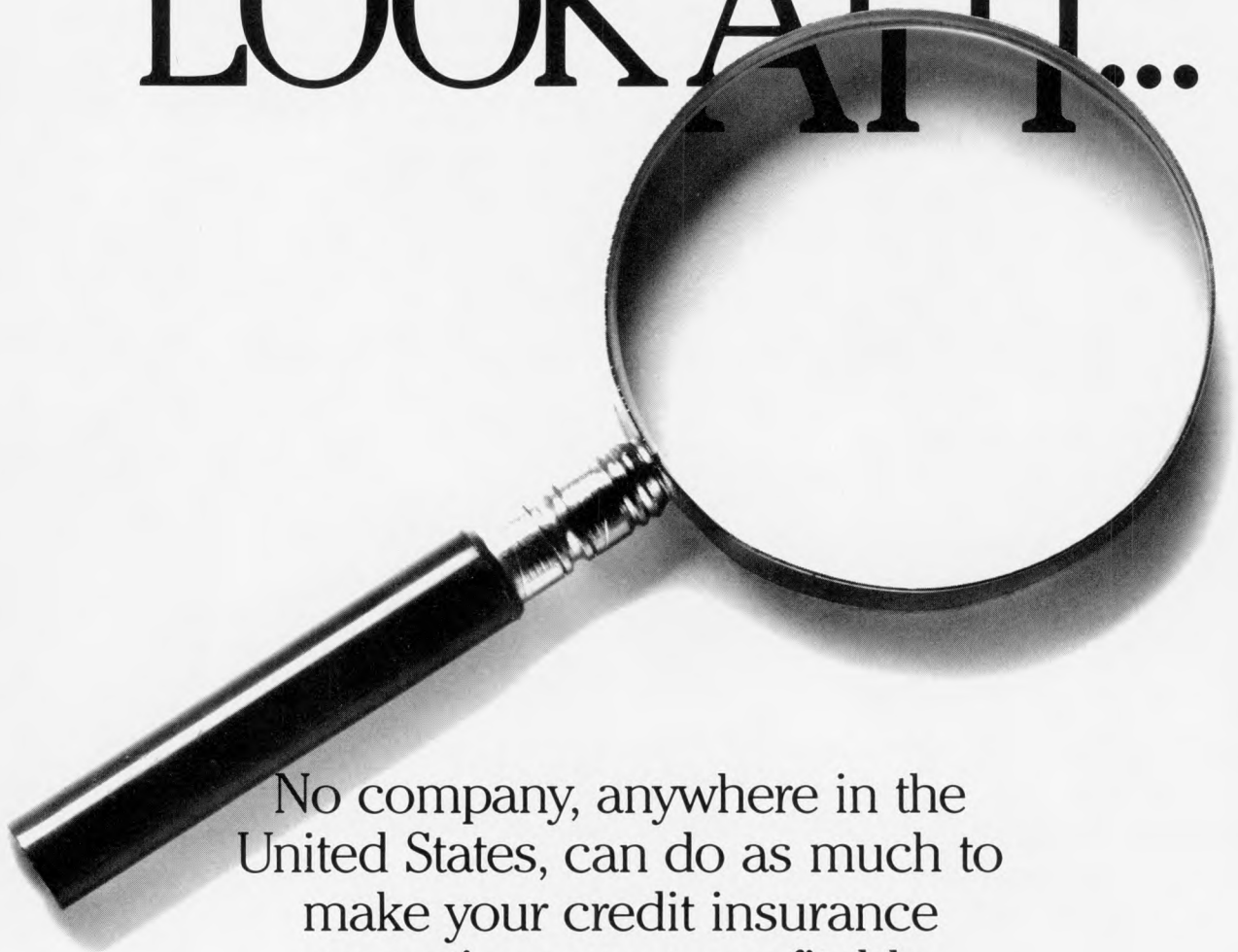
According to Joseph Collins, president of the Sargeant office, the new bank is the largest rural bank in the county, with assets in excess of \$20 million, and a capital to deposit ratio of nine percent.

Other officers of the new bank are: Woody I. Danielson, chairman; Don N. Peterson, executive vice president and cashier; Roland C. Danielson, vice president; Carol Cimmiyotti and Colleen Tebay, assistant cashiers, and Edward L. Ziemer, ag representative.

Promoted in St. Cloud

Several officers have been promoted at Zapp Bank in St. Cloud. Bernie Gruenes was advanced to vice president/business development. Promoted to assistant vice presidents were Mary Rieder, Dan Hesterman and Mike Kosel.

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No company, anywhere in the United States, can do as much to make your credit insurance operations more profitable and problem free than North Central Life.



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Twin Cities

Stanley R. Maughan has joined Exchange State Bank in St. Paul as president and CEO. He assumes responsibilities formerly held by George Howes, who will serve as an executive advisor to the bank until he retires later this year.



S.R. MAUGHAN

Mr. Maughan previously served as vice president at Metropolitan Bank—Nokomis. He has also been affiliated with Riverside Community Bank and Northeast State Bank in Minneapolis.

* * *

Signal Bank, West St. Paul, has announced they have reached an agreement with the Suburban National Bank of Eden Prairie to acquire the Savage and Highview offices of the Suburban National Bank.

Signal Bank has assets totaling \$100 million. The two Suburban offices have combined assets of \$22 million. Signal Bank plans to keep both offices open and to maintain existing staff, hours and services, according to Galen T. Pate, chairman and CEO of Signal Bank.

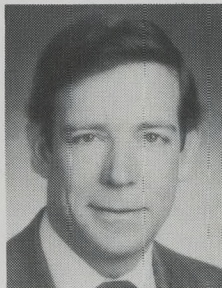
* * *

Arthur L. Cooper has been elected senior vice president at St. Anthony Park State Bank. He comes to the bank with 18 years of experience, most recently as president of First National Bank in Hutchinson. Prior to that he was senior vice president of First American National Bank in Marshall and an officer of banks in Mankato and Fargo, N. Dak.

* * *

William H. Quick has joined First

Bank System as senior vice president and head of corporate development and strategic planning. He most recently served as partner at Bank Street Consulting Group, New York City. He has also served at Marine Midland Bank, New York, Booz Allen and Hamilton, Inc., and Chase Manhattan Bank.



W.H. QUICK

Marquette Bank Minneapolis is offering a new, diversified guaranteed investment contract fund for pension and profit sharing plan sponsors, called the Select GIC Fund. Marquette officials expect returns that are 1.5 to 2.0 percentage points above money market rates. The Fund will be invested primarily in GICs issued by high quality insurance companies.

* * *

At Liberty State Bank, St. Paul, Dennis P. Barrett has been elected a director, Kathleen White-Milbauer

"We're committed to the correspondent market."

Jim Reagan,
Chairman & CEO,
American National Bank

Your Correspondent Partner
AMERICAN
NATIONAL BANK SAINT PAUL

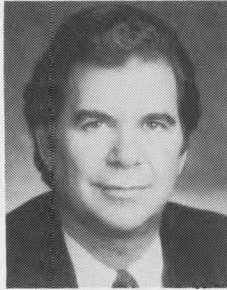
has been promoted to assistant vice president—real estate, **Jeanne DeNoma** has been advanced to real estate officer and **Delores Staab** has been promoted to bookkeeping officer.

Mr. Barrett is vice president and director of Noble Industries, Inc., St. Paul. The three women have been with the bank since 1977, 1971 and 1974, respectively.

* * *

Norwest Corporation has announced the naming of the following staff members to officer positions:

Michael A. Graf, senior vice president and corporate controller. **Paul G. Sedio**, senior vice president and group head of corporate banking services



M.A. GRAF



P.G. SEDIO



R.B. CHAMBLIN



S.M. MCGUIRE



J.T. LENERTZ

at Norwest Technical Services. **Rita Chamblin**, senior vice president and manager of corporate investment sales for Norwest Investment Services. **Sheila M. McGuire**, senior vice president, Twin Cities retail sales manager and regional retail marketing coordinator for Norwest Investment Services.

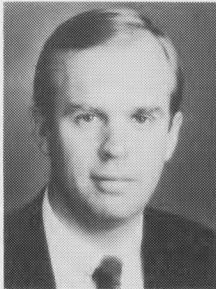
John T. Lenertz, vice president and director of administrative services for the banking group. **Adaire C. Peterson**, vice president and manager of the new trust division for small businesses at Norwest Capital Management & Trust.



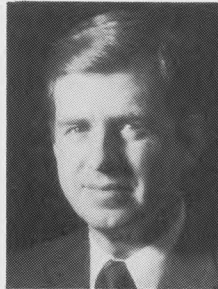
A.C. PETERSON



J. MARES



C. GREER



B.P. WAGNER

Judith W. Mares, vice president and managing director of investments, Norwest Capital Resources.

Christopher Greer, representative to Brazil. **Bruce P. Wagner**, manager of tax and planning services for Norwest Capital Management and Trust. **Jill S. Johnson**, director, employee benefits.

Norwest Bank South Dakota has named **Bob Sobraske** student loan representative for the Norwest Student Loan Program in Minnesota and eastern Iowa. He will be located in Minneapolis.

* * *

First Bank System, Inc. has entered into an agreement to purchase Cottage Grove Bancorporation, the bank holding company of Minnesota National Bank of Cottage Grove. FBS is purchasing the company from its owner, **Robert E. Keyes**, for \$7.75 million. The bank would become one of First Bank's metropolitan offices. At December 31, 1987, Minnesota National had assets of \$32.1 million.

* * *

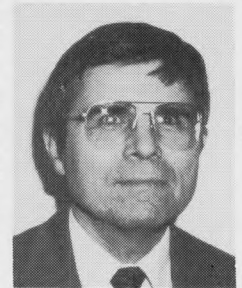
At Western Bank, St. Paul, four officers have been promoted.

Cynthia Rowe Carlson has been named vice president, commercial/real estate. **Scott A. Johnson** has been named vice president, Western Bank Oakdale. **Linda Martinez-Higgins** has been named assistant vice president, human resources. **Cheryl Grimes** has been named internal auditor officer.

* * *

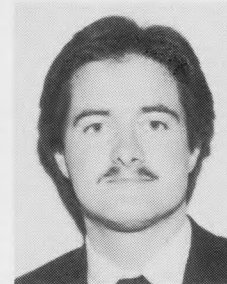
At St. Anthony National Bank,

Minneapolis, **John M. Brown** has been promoted to president of the St. Anthony office. **Lon G. Helgemo** has been advanced to president of the Andover office. Mr. Brown was previously executive vice president and will continue to be the bank's senior credit officer. Mr. Helgemo previously served as vice president and head of retail banking.



J. BROWN

Robert P. M. Baker has been named chief operations officer and



B. BAKER



B. BOLDT



W. GJERDE



D. SEATON

comptroller for the bank. Most recently he was an audit supervisor for Touche Ross & Co. in Omaha, Neb.

Bryan Boldt has been promoted to assistant vice president in commercial lending. **Wayne Gjerde**, manager of sales finance, has also been promoted to assistant vice president. **Darlene Seaton** has been elected operations officer.

* * *

Marquette Insurance Group has announced the additions of **Tim McCarthy** as group vice president, benefits division, and **Ward Ring** as vice president of marketing. Mr. McCarthy previously served as advanced sales manager for Great West Life Assurance Company. Mr. Ring was director of sales training for Minnesota Mutual Life, St. Paul.

Marquette Bank Columbia Heights has named **David B. Carstensen** vice president and manager



D.B. CARSTENSEN



M. J. BUTALA

of consumer lending, and **Michael J. Butala** as vice president, commercial lending. They joined the bank in 1971 and 1977, respectively.

Edgar M. Morsman, Jr., senior vice president and chief lending officer at Norwest Bank Minnesota, N.A., Minneapolis, has been named to fill an unexpired one-year term as second vice president of Robert Morris Associates. Mr. Morsman joined Norwest Bank Omaha in 1969 and was named to his present position in 1986. He joined RMA in 1970 and is a past chairman of the Midlands Group of the Missouri Valley Chapter. He currently is an associate in RMA's Minnesota Chapter.



E.M. MORSMAN, JR.

First Bank System has announced it intends to begin a systematic stock repurchase program, under which it may purchase as many as two million shares of its common stock.

The company has also announced it has increased the quarterly dividend 9.3 percent, from 37.5¢ to 41.0¢ per share, payable March 14 to shareholders of record on March 2.

American National Bank of St. Paul has announced it is offering its customers an expanded range of consumer services by providing consumer investment products through PAMCO Securities and Insurance Services, according to **Joe Brunner**, senior vice president of consumer banking. PAMCO is an independent registered broker-dealer and li-

censed agency for tax-advantaged investment and insurance products, based in California.

Barbara Graham-Roche has joined Marquette Bank Minneapolis as vice president in its investment group. She previously worked at Piper, Jaffrey & Hopwood, Minneapolis, and prior to that was an assistant vice president in the investment services group at Marquette.



B. GRAHAM-ROCHE

A major new customer service program was launched by the Marquette Banks beginning February 16 called "Performance Guarantee." The program is offered at all Marquette Banks and their offices and guarantees that customers be satisfied with Marquette's performance regarding consumer checking, savings and time deposit accounts. When a customer brings a mistake

to the bank's attention, Marquette will pay that customer \$5.

Norwest Corporation has announced it will purchase from time to time up to one million shares of its common stock. It had approximately 29.6 million shares outstanding at December 31, 1987.

Promoted in Richfield

Randall A. Propp has been named assistant vice president—personal trust at Richfield Bank & Trust Co. He joined the trust department in 1984 as trust account administrator and was promoted to personal trust officer in 1986. Prior to joining the bank, Mr. Propp was employed by the Lunur Corporation, a software engineering company.

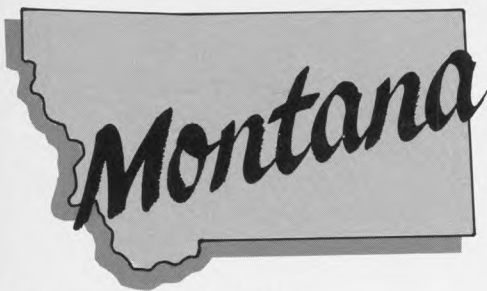
Brainerd Bank Sponsors Senior Drivers Program

An eight hour classroom refresher course for senior citizens, "55 Alive/Mature Driving," was sponsored by First American Bank of Brainerd in March. The program was developed by the American Association of Retired Persons.

"We're large enough to offer the resources you need. Small enough to get to know you."

Joe Kingman,
President & COO,
American National Bank

Your Correspondent Partner
AMERICAN
NATIONAL BANK · SAINT PAUL



Promoted in Malta

At First Security Bank, Malta, Gary Howell has been promoted to senior vice president. Mr. Howell was with the Farm Credit System for six years prior to joining the bank in 1985.

Promoted in West Billings

Dan Barz, president of First Interstate Bank of West Billings, has announced the promotion of Nancy Ott to administrative officer. Ms. Ott joined the bank in 1985 as executive secretary to the president. She previously was in the real estate and development department of Volume Shoe Corporation in Topeka, Kan.



N. OTT

Advanced in Billings

At First Interstate Bank of Billings, Kurt E. Nelson has been promoted to installment loan officer. He began as an installment lender with the bank in 1986. Prior to that he was an installment loan officer with another financial institution.

Largest Banks in Montana

DEPOSIT and loan figures for Montana banks reporting \$50 million or more deposits are shown in the chart below as reported at year-end. Comparative figures for a year earlier also are reported.

(Last three figures omitted)

	December 31, 1987		December 31, 1986	
	Deposits	Loans	Deposits	Loans
1. First Interstate Bank of Billings	\$268,358	\$160,930	\$269,828	\$191,596
2. First Bank, Billings	240,719	137,770	237,682	151,156
3. First Natl. Bk. of Great Falls	182,062	118,860	191,967	155,777
4. First Bk. Western Montana, Missoula	178,677	90,097	157,672	77,924
5. Norwest Bank Billings	170,557	117,998	177,686	125,828
6. First Security Bk., Bozeman	139,885	84,603	126,778	85,023
7. Norwest Bank Great Falls	121,684	70,716	131,462	74,679
8. First Bank Butte	121,651	35,662	102,312	48,713
9. First Natl. Montana Bk., Missoula	114,980	81,227	118,680	85,439
10. Norwest Bank Anaconda/Butte	111,916	54,528	111,944	56,517
11. First Bank Bozeman	111,691	75,287	110,980	82,053
12. 1st Interstate Bk. of Kalispell	109,029	62,916	110,536	72,872
13. Norwest Bank Kalispell	107,000	54,000	103,000	44,000
14. Norwest Bank Helena	95,769	54,030	110,803	60,903
15. 1st Natl. Bk. of Miles City	94,573	35,010	63,283	29,544
16. 1st Interstate Bk.-Great Falls	94,523	54,440	95,419	71,724
17. 1st Security B&T, Miles City	91,361	53,643	85,970	53,864
18. First Bank Havre	90,105	25,682	68,009	26,345
19. First Bank Helena	85,261	51,653	85,580	54,453
20. First Citizens Bk., Billings	82,048	57,930	82,498	58,931
21. First Bk. West Great Falls	79,364	27,076	46,029	19,111
22. First Bank West Billings	74,469	28,147	54,211	34,677
23. Norwest Bank Lewistown	58,372	20,292	61,263	25,257
24. Farmers State Bk., Conrad	57,526	26,428	57,382	22,000
25. First Bank Lewistown	56,068	24,461	61,019	25,147
26. 1st Natl. Bk. of Glasgow	55,820	20,500	52,705	23,376
27. 1st Natl. Bk. of Glendive	54,522	29,022	59,243	32,030
28. Citizens State Bk., Hamilton	54,321	34,081	59,959	37,467
29. Shelby First State Bank	53,421	25,408	53,373	27,556
30. Richland Natl. B&T, Sidney	53,308	27,414	56,917	31,929
31. Security State Bk., Plentywood	52,603	31,243	56,075	28,975

Retired in Great Falls

Robert L. Reiquam has retired as president of First Bank Great Falls and First Bank West Great Falls, effective March 31. He has also resigned his position as regional direc-

tor of First Bank, Havre.

Mr. Reiquam began his career with First Banks as an ag representative in Great Falls in 1965. He has been president of First Bank Great Falls since 1982 and of First Bank West Great Falls since 1983.

Abstract Report Released

The Office of the State Examiner has released its Abstract Report of State and National Banks in Wyoming for year-end 1987.

Net loans at state banks was \$856,517,000, and at national banks was \$861,488,000, for a total of \$1,718,005,000. Total deposits was \$1,896,527,000 for state banks, \$1,895,946,000 for national banks, and \$3,792,473,000 combined. Loan to deposit ratios were 45.16% and 45.44% and 45.3% respectively.

Total equity capital at state banks was \$181,414,000, at national banks was \$149,402,000, and combined was \$330,816,000. 65 state banks and 37 national banks reported.

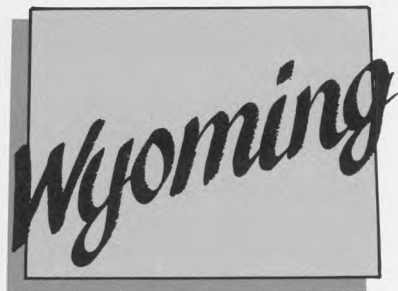
senior vice president of financial institutions for Norwest Bank Minnesota, N.A., said, "We have concluded that franchising does not play an important role in Norwest's long-term strategies." ABC and Norwest will be proceeding to conclude the relationship, but no final date has been announced.

The termination of the agreement will require the banks owned by ABC to change their names. According to Robert Miracle, president and CEO of ABC, each of the eight banks will be named Wyoming National Bank. No changes in staff or services are expected.

Affiliated Bank Corporation owns banks in Casper, Cheyenne, Wheatland, Gillette and Kemmerer.

ABC and Norwest End Franchise Arrangement

Affiliated Bank Corporation of Wyoming and Norwest Corporation announced on February 18 that they have agreed to end the franchise arrangement entered into by both companies in 1984. John Sampson,



North Dakota

First Trust Names Officers

David L. Kerssen has been named senior vice president in the investment division at First Trust North Dakota, Fargo. He joined First Trust in 1974 from First Bank Duluth, Minn.

Richard Thoreson has been promoted to trust investment officer. He joined First Trust in 1986 from the Farm Credit Administration.

Lynn R. Klein has been promoted to trust administration officer. He joined the company in 1986 and will have responsibilities in conservatorship, trust and employee benefits administration.

Hal Fisher was promoted to trust farm manager in the farm management division. He joined First Trust in 1986 from the agronomy department at North Dakota State University.

Pamela J. Rudolf and Leo A. Johnson were promoted to trust officers. Both serve in the personal trust administration area.

Named in Watford City

David A. Brendsel, senior vice president of the First International Bank of Watford City, has been named senior loan officer of the bank. He has been with First International for over 14 years. Prior to joining the bank, he was employed by the First American Bank of Minot and the Production Credit Association of Williston.

Norwest Banks Merge

The following Norwest Banks in North Dakota have merged into Norwest Bank, N.A.: Bismarck, Fargo, Grafton, Hillsboro, Jamestown, Mandan, Minot, Valley City, Wahpeton, and Norwest Capital Management & Trust/North Dakota.

Allan Severson will serve as chairman of the board and CEO for the new bank. John Pierson will be chairman for the Bismarck/Mandan offices. Presidents of the various of-

fices will be Steve Jacobsen, Bismarck; Robert Phillips, Fargo; Ray Charlton, Grafton; John Hansen, Hillsboro; Ronald Arndt, Jamestown; James Hallock, Mandan; Thomas Stockert, Minot; Glen Wischmann, Valley City, and Ron Strand, Wahpeton.

Total assets for the new bank are about \$508 million.

Added in Bismarck

Shirley Berry has joined Bismarck State Bank as real estate loan officer for the bank's recently established real estate department. Prior to joining the bank, Ms. Berry spent nine years with Midwest Federal Savings Bank in several positions, including loan processor, regional loan processing/closing supervisor and residential loan officer.



S. BERRY

Added in Crosby

Wallace Herreid of Williston has

joined Farmers State Bank, Crosby. He will serve the bank as vice president.

Colorado

United Bank Announces Promotions, Awards

United Bank of Denver's Chairman and CEO, Richard A. Kirk, has announced the promotion of eight bank employees. Susan M. Hatchett and Lisa N. Johnson were named assistant vice presidents. Michael E. Gunter and Philip Munishor were promoted to corporate trust officers. Jeffrey W. Barr was promoted to consumer banking officer and Teri A. Maurice, Beverly A. Raviotta

COLORADO NEWS. . .

(Turn to page 36, please)

"Think of us as your partner, not your correspondent."

Jim Russell,
Vice President & Manager,
Correspondent Banking

Your Correspondent Partner
AMERICAN
NATIONAL BANK SAINT PAUL

ABA CANDIDATES. . .

(Continued from page 21)

1978. He was on the Ag Division executive committee 1980-83, vice chairman of that body in 1983-84 and its chairman in 1985-86. Mr. Tubbs was actively involved with other ABA areas during those same years. He was on the Government Relations administrative committee 1982-84 and on the Government Relations Council 1982-85. He has taken part in the ABA Bank Leadership Conferences since 1982. In 1986 he was appointed to a three-year term as a member of the ABA board of directors, on which he now serves. During his service with the Ag Division and the board of directors, Mr. Tubbs served as co-chairman of the ag research project titled "Transition in Agriculture," now utilized by many community banks nationwide.

Along with his daily bank work and involvement with IBA and ABA, Mr. Tubbs has worked closely with Iowa State University. He was on the alumni association board of directors from 1979 to 1983 and served as president of that body in 1984. The following year he was presented the Distinguished Alumni Recognition Medal. He has been a member since 1978 of the ISU Agricultural Foundation board of trustees, and has been vice chairman of that body since 1986. He is also on the board of directors and has been vice chairman since 1987 of WOI Television, which is owned and operated by ISU.

His reputation within the banking and agricultural industries has placed great demands on Mr. Tubbs' time as a speaker and author. He served as the spokesman for a TV documentary made by Elanco Chemicals, "Who Will Farm the Land." He has been a lecturer and speaker to banking conferences, conventions and schools in more than 30 states and Canada, on banking management, legislation, A/L management, agriculture and economics. He has authored numerous articles and publications on agri finance and banking and is a quarterly contributing author for *Pork Profits* magazine.

Because of his involvement with ABA, Mr. Tubbs was invited to be a member of the Agriculture Credit Ad Hoc Advisory Committee to Secretary of Agriculture John Block from 1984-86. □



IBA to Offer Trust and Management Conference

The Illinois Bankers Association's Trust & Investment Management Conference will be held May 4-5 at the Holiday Inn in Matteson.

The gathering begins the evening of the 3rd with a welcome reception at 6:30.

On Wednesday morning, registration/continental breakfast begins at 7:30. The general session speakers will be: Robert Franke, president of Robert H. Franke & Associates in Inverness, who will speak on "Sales/

Marketing Opportunities"; Ted Riddlehuber, president and CEO of Cannon Financial Institute in Athens, Ga., on "Effective Communications," and Bruce Salome, senior vice president and trust officer at NBD Trust Company of Illinois, Evanston, on "Managing for Growth/Selling Incentives."

During the noon luncheon, IBA president Jack Emmons will give remarks, followed by an "Economic Outlook" by Robert Genetski, senior vice president and chief economist for Harris Trust & Savings Bank, Chicago.

The afternoon session will feature concurrent sessions on "Investment Options/Alternatives," "Computerization to a Modern Trust Department," "Trust Taxation" and "Financial Planning/Product Development." The sessions will be repeated. A reception will follow at 5:00 p.m.

Thursday morning continental breakfast at 7:30 will be followed by the second general session. "Risk of Fiduciary Liability" will be presented by Chicago attorney Howard McCue. "Mergers & Acquisitions" will be discussed by Mark Miller, president and CEO of Valley Trust Company in Appleton, Wis. The meeting is set to adjourn at 11:45 a.m.

For more information on the conference, contact the IBA.



Thomas W. Murphy has been named to the board of directors of Colonial Bank, announced **William R. Duquaine**, Colonial Bank presi-

dent and CEO.

Mr. Murphy currently serves as a partner in the law firm of Johnson, Cusack & Bell, Ltd., Chicago, where he supervises the firm's commercial and general practice departments.

* * *

Avenue Bank Northwest has changed its name to First Colonial Bank Northwest, it has been announced by bank President **John Benson**.

"Our new name highlights our affiliation with First Colonial Bankshares Corp., a \$1-billion-asset bank group, and signifies that we plan to become a more visible and active financial institution in the growing northwest corridor," Mr. Benson said.

The bank reported record 1987 earnings of \$530,000, a 51.5 percent increase over 1986. The bank's assets grew 10.5 percent in 1987, to \$43 million.



M & I, Central Wisconsin Merger Completed

William H. Rodd, chairman, and Edwin Zagzebski, president of Central Wisconsin Bankshares, Inc. announced on February 29 that the affiliation with Marshall and Ilsley Corporation of Milwaukee has been completed.

The banking subsidiaries of Central Wisconsin Bankshares, Inc. are First American National Bank, Wausau; Wisconsin Valley Trust Company, Wausau; Central National Bank, Wausau; Mosinee Commercial Bank; Bank of Plover; Bank of Onalaska; Valley View Bank, La Crosse; Community First Bank, New Lisbon; The First National Bank at Neillsville; Tri-County State Bank of Marshfield; Community State Bank, Eau Claire; Union National Bank of Ashland; Northern National Bank, Rhineland; Eagle River State Bank, and Peoples' Bank of Antigo.

Changes Told in Appleton

Barbara J. Beck has been named benefits manager at Valley Bancorporation, Appleton. She has been with Valley since 1979, most recently as employee benefits administrator.

Michael J. Kohls has been named user support representative, general ledger for Valley Systems, Inc. He was been with Valley for two and a half years, most recently as electronic data processing auditor.

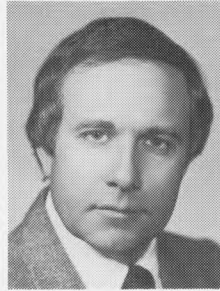
Appointed in Platteville

Nancy A. Boudreau has been appointed a director at First National Bank of Platteville. She joined the bank in 1986 as vice president and last year was promoted to executive vice president. She directs marketing, trust, operations, human resources, personal banking and consumer lending.

Elected in Eau Claire

Kenneth R. Koopman has been elected vice president at First Wisconsin National Bank — Eau Claire. He will manage the bank's correspondent banking division.

Mr. Koopman joins the bank after 20 years with First Wisconsin—Milwaukee. He has served as assistant vice president of that bank's northwestern Wisconsin correspondent division since 1984. Prior to that, he worked as northern Wisconsin district manager of customer sales for the automated sales division and as a senior systems analyst and product manager for the information services division.



K.R. KOOPMAN

SECURA Announces New Family of Mutual Funds

SECURA COMPANIES, Appleton, Wis., has announced the formation of a family of five mutual funds entitled SECURAL Mutual Funds, Inc. First Asset Management, a division of First Bank, N.A., Minneapolis, will invest the assets of the SECURAL Funds. First Bank, N.A. is the lead bank of First

Bank System, Inc.

The SECURAL family of funds includes SECURAL Government Bond Fund, a portfolio of securities issued or backed by the U.S. Government; the SECURAL Municipal Bond Fund, a portfolio of investments exempt from federal taxes; the SECURAL Fixed Income Fund, a portfolio of high quality government bonds and other fixed-income securities; the SECURAL Stock Fund; and the SECURAL Special Equity Fund, a growth-oriented equity investment fund.

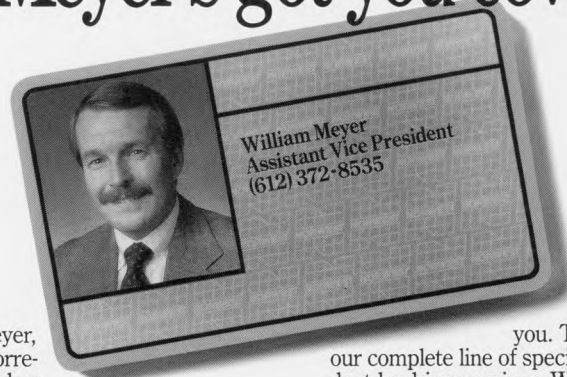
The funds will be marketed through SECURA INVESTMENTS' more than 300 registered representatives, as well as through the discount brokerage arm of First Bank System, FBS Brokerage Services, Inc. FBS' trust company, First Trust, will act as custodian for the funds.

SECURA plans to increase its marketing thrust to include an additional 400 brokerage offices and banks across the country within the next year.

IBAA/St. Paul Renew Pact

The Independent Bankers Association of America and St. Paul Fire and Marine Insurance Company recently signed a five-year renewal contract which gives the IBAA's exclusive endorsement to The St. Paul's Total Insurance program.

In Wisconsin, Bill Meyer's got you covered.



Meet Bill Meyer, Norwest's Correspondent Banker for Wisconsin. When you have correspondent banking needs, he's a good person to know. Bill makes it his business to understand the special needs of community banks. And he wants to do business with

you. Talk to Bill about our complete line of specialized correspondent banking services. When it comes to correspondent banking, he's got you covered.

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used to be rather
easy to manage.**



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Nebraska

Appointed in Traer

Recently at Farmers Savings Bank, Traer, William G. Podhajsky was appointed chairman emeritus and William C. Talen was appointed chairman and president. Mr. Podhajsky previously served as chairman, and Mr. Talen was CEO and president.

Retired in Bloomfield

Farmers & Merchants State Bank of Bloomfield has announced the retirement of Jens J. Jensen, executive vice president. Mr. Jensen began with the bank in 1953 and has been a director since 1957. He will continue as a member of the board.

During Mr. Jensen's tenure, the bank has acquired branches at Niobrara, Crofton and Center and has grown from \$2 million to \$50 million in assets. An open house was held in Mr. Jensen's honor on March 1.

Ryan Bloomquist has been promoted to succeed Mr. Jensen as executive vice president. He has been with the bank for 30 years.

Added in Hastings

David W. DeRosear has joined City National Bank and Trust Co., Hastings, as vice president of commercial loans, according to bank President Norman Nackerud.

Mr. DeRosear was previously associated with Norwest Bank of Hastings and has 18 years of experience in consumer, real estate and commercial lending.

Promoted in St. Paul

Citizens Bank & Trust Co. of St. Paul has announced recent promotions. Eugene E. Oakeson was advanced to executive vice president, Elna L. Lassen to vice president, and Sally Einspahr to cashier.

Pres. Named in North Platte

Kenneth N. Langford has been promoted to president of The First National Bank and Trust Company of North Platte. He succeeds Daniel Davis, who recently resigned.

Mr. Langford has had 17 years of experience at The First National Bank, most recently as executive vice president. He is the third generation in his family to hold the title of president. He was also elected president of FIRN-CO., INC. the holding company that owns First National.

Donald D. Kilgore was elected secretary-treasurer for the bank and the holding company. He is the bank's vice president and trust officer.

Charles Wortman was designated internal auditor.

Added in Wauneta

Mike Borowski has joined the Wauneta Falls Bank, Wauneta, as a vice president. He will concentrate in the areas of consumer, commercial and agricultural loans.

Mr. Borowski began his banking career at Adams Bank & Trust in Ogallala in 1974, and spent the last five months as the head of ag lending at the First Bank of Wyoming in Wheatland.

Advanced in Minden

At First National Bank of Minden, Kelley Ayres has been promoted from assistant vice president to vice president, and Lonnie Hap-pold was advanced to assistant cashier.

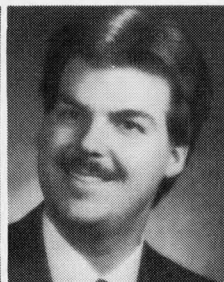
Promoted in Bellevue

Four officers have been promoted at Bank of Bellevue.

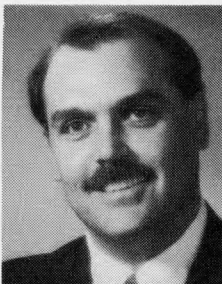
Named vice president and senior trust officer was Jack G. Brown. His



J. BROWN



S. MILLER



D. MEGGISON



B. RICHARDS

new responsibilities include management of the financial planning department. He joined the bank last year as a trust officer.

Scott W. Miller has been named bank investment officer. He joined the bank in 1982 as a teller and has worked in the areas of wire transfers, IRAs and financial planning.

Douglas Meggison was named loan officer, and will work in consumer lending at the bank's American Plaza facility. He joined the bank in 1986 as a collections manager.

Barbara A. Richards has been named health services officer. She is a 12 year veteran of the health services and insurance fields and joined the bank last year to pilot the health insurance assistance program.

This program is a unique service pioneered by the bank's senior club. It now has two staff members and handles more than 50 requests per week for assistance with problems associated with Medicare and other health insurance.

Bankers and Banks to be Saluted at NBA Convention

The Nebraska Bankers Association has announced recipients of 50-Year Banker and 100-Year Bank Awards to be presented at the 91st Annual NBA Convention Awards Program. The program will be held at the Red Lion on Omaha on Saturday, May 21.

Bankers to be recognized are R.K. Armstrong, Sr., Minden Exchange Bank, and Gerald H. Te Kolste, State Bank of Firth.

Banks to be awarded are Seven Valleys State Bank, Callaway; The Tilden Bank, Tilden; Citizen's Bank and Trust Co., St. Paul; First National Bank, Schuyler; Shickley State Bank, and First National Bank, Unadilla.

If there are other bankers or banks who should be honored at the Awards Program, please contact Ron Arrigo at (402) 474-1555 as soon as possible.

Commercial Lending School to be Held April 17-22

The 1988 Professional Development Program Commercial Lending School, sponsored by the KBA/NBA Schools of Banking, Inc., will be

NEBRASKA NEWS...

(Turn to page 54, please)



Omaha

William C. Smith, president and CEO of FirsTier Financial, Inc. and **H.W. "Bud" Hendricksen**, president of First National Bank & Trust Co. of Fremont, have jointly announced that the Fremont Bank will become a permanent part of FirsTier Financial by merging into FirsTier Bank Omaha. Both Fremont locations will operate as branches under the name FirsTier Bank—Fremont.

Exact timing of the merger depends upon federal regulatory approval which generally takes about 90 days. FirsTier Bank Omaha con-

trols over 97 percent of the voting shares of the Fremont Bank.

* * *

At American National Bank, **Karen A. Hosier** has been elected vice president and trust officer. She will be assistant manager of the trust and investment division of the bank. Ms. Hosier began her career in 1976 as a trust examiner for District 10 of the Comptroller of the Currency. She then entered the trust and investment profession with a major Omaha bank. Before joining Ameri-

can National she was assistant vice president and trust officer for another Omaha-area bank.

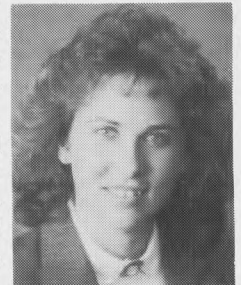
* * *

At Douglas County Bank & Trust Co., **Craig Williams** has been appointed to the commercial loan committee. He joined the bank in March of last year as a commercial loan officer, and was promoted in July to assistant vice president.

Daniel Brabec has been promoted to division manager of data processing. He joined the bank in 1987 as a credit analyst in the credit department, and was promoted to commercial loan officer in November.

* * *

John Cochran, president of Northwest Bank Nebraska, N.A., has announced the promotion of **Michelle Engler** to business banking officer. Ms. Engler joined the bank in 1985 as a regional credit trainee, and was promoted to a business banker last year.



M. ENGLER



Lincoln

The Havelock Bank board of directors has promoted five staff members.

Patrick Gibbons, former vice president and cashier, has been promoted to senior vice president and cashier. He will work at the bank's 70th and Adams facility.

Denise Otto, former assistant vice president, has been promoted to vice president at the main bank on Have-

lock Avenue.

Larry Peterson, former assistant vice president, has been advanced to vice president at the 70th and Adams facility.

Glenys Tabor has been promoted from operations officer to assistant vice president at 70th and Adams.

Denise Stevens has been named new administrative officer at 70th and Adams.

Carol Snyder has joined Vistar Bank as assistant vice president and manager of the real estate origination department. She has spent the past four and a half years as regional lending manager for Commercial Federal Mortgage Corporation. She has 11 years experience in real estate sales in the Lincoln market.

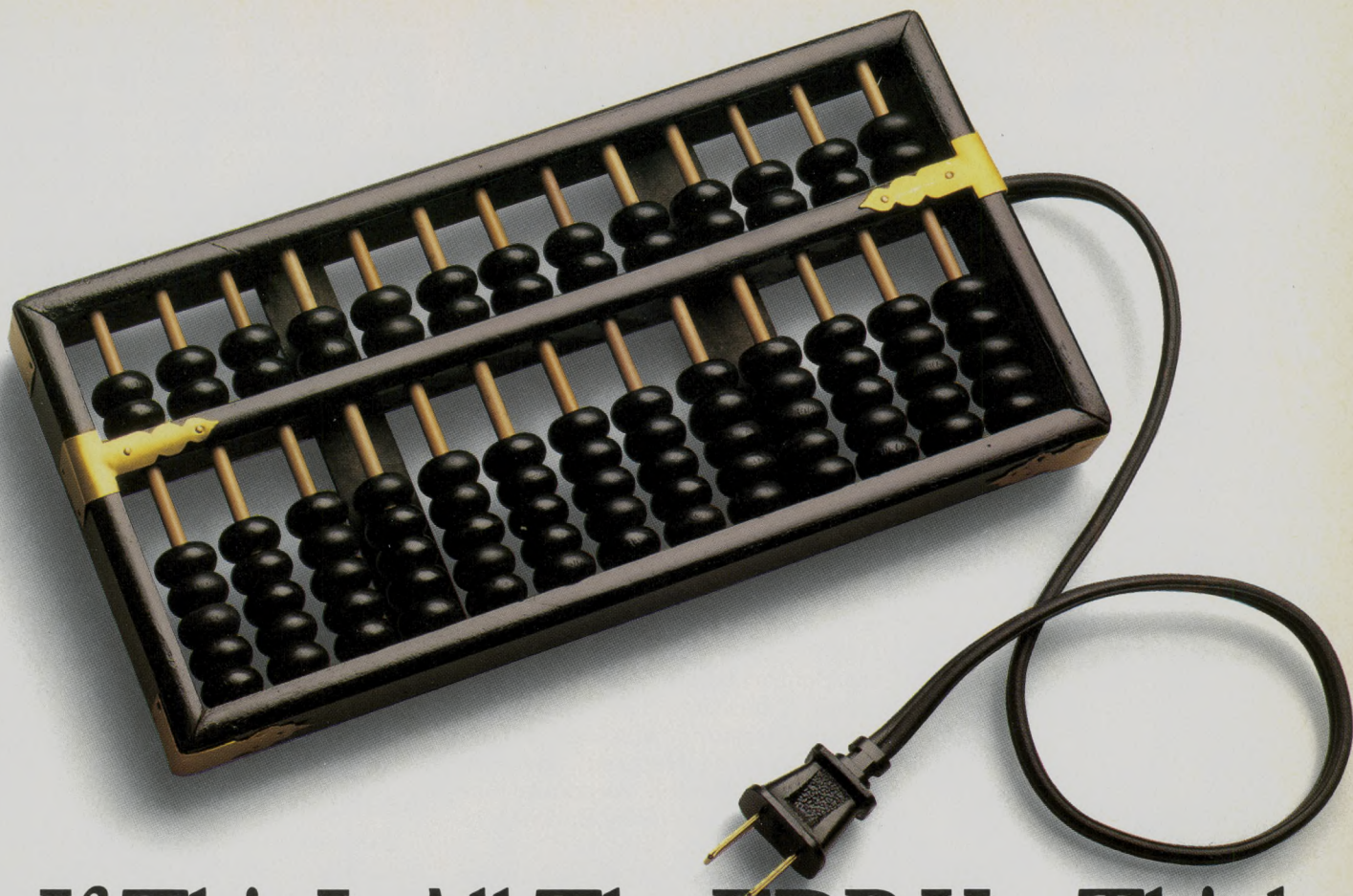


C. SNYDER

* * *

First Commerce Bancshares, Inc. has announced net income for 1987 of \$6,482,000 or \$2.13 per share. This compares to 1986 net income of \$5,198,000 or \$1.71 per share.

The 1987 provision for loan losses was \$6,800,000 compared to \$14,991,000 for 1986, and the 1987 net cost of other real estate owned was \$3,050,000 compared to \$7,163,000 for 1986.



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COLORADO NEWS. . .

(Continued from page 29)

and Betty L. Reed were named operations officers.

The bank has also announced its 1987 Quality of Service Award winners. They are Barb Dierdorff, training and development; Sue Hoffman, funds management, and Leslie Tweed, events.

Added in Colorado Springs

Darold L. Drew and Gary L. Kehr have joined Central Bank of Colorado Springs in the commercial lending department. Mr. Drew was named senior vice president and business loan manager, and Mr. Kehr, vice president, business banking.



D. DREW

G. KEHR

Both men come from Pueblo Bank and Trust in Pueblo, where Mr. Drew was a senior vice president and loan division manager and Mr. Kehr was assistant vice president and commercial lender.

United Banks Applies to Merge Denver Banks

United Banks of Colorado, Inc. announced on February 26 that it has filed an application with the Comptroller of the Currency to merge United Bank of University Hills into United Bank of Cherry Creek. Both banks are located in Denver.

On December 31, 1987, the University Hills bank had assets of \$10.3 million while the Cherry Creek bank had assets of \$56.0 million.

Elected to CNB Board

Peter B. Teets has been elected to the board of directors of Colorado National Bankshares, Inc. He is president of Martin Marietta Astronautics Group, headquartered in Denver, and a senior vice president of Martin Marietta Corporation.



NABW to Hold South Dakota State Conference

The 1988 South Dakota State Conference of the National Association of Bank Women will be held at the Ramkota Inn in Sioux Falls on April 28 and 29.

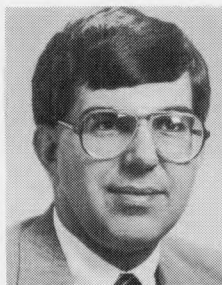
The keynote address will be given by former governor William Janklow. Also addressing the group will be Dr. Jerry Johnson, professor of economics, the University of South Dakota, and executive director of the South Dakota Council for Economic Education. The NABW National Director's Message will be "You Make It Happen," given by Diane Van Boxtel, corporate marketing officer for Valley Bancorporation in Appleton, Wis.

Also featured will be workshops on research techniques and teaching & coaching co-workers, an NABW workshop, and the annual banquet.

For more information, contact Mavis Carl at Norwest Bank South Dakota in Sioux Falls.

Appointed in Mitchell

At Commercial Trust and Savings Bank, Mitchell, David L. Margheim has been appointed vice president and trust officer. He will assume management of the bank's trust division upon the retirement of James W. Stewart, who has been with the bank for 26 years.



D.L. MARGHEIM

Mr. Margheim has been an assistant vice president and trust officer of Toy National Bank, Sioux City, Ia. since 1979. He began his career as a bank accountant at Toy in 1976.

Changes Told by First Bank

Pamela M. Moser has been pro-

moted to assistant vice president at First Bank of South Dakota in Sioux Falls. She joined the bank in 1974 as a customer service representative. Ms. Moser held a number of positions prior to entering the management training program in 1978. In 1979 she was elected a personnel officer in the human resources area. She returned to the consumer banking area in 1986 and was elected a consumer product officer in 1987.

Timothy M. Hofer has been elected credit analyst, South Dakota Regional Credit—Aberdeen, for First Bank. He rejoins the First Bank System after a brief period with the Arizona Production Credit Association. Mr. Hofer originally joined FBS Credit Services, Inc. in 1986 as a credit review officer, and held that position until June, 1987. He also has prior credit experience with the Production Credit Association of the Midlands in Sioux Falls and the Aberdeen PCA.

Added in Sioux Falls

Kenneth Berger has joined Norwest Bank South Dakota as vice president, human resources. He will be located in Sioux Falls.

Mr. Berger joined Norwest in 1974. From 1975 to 1980, he was operations officer for Norwest Bank Nebraska. From 1980 to 1986, he held a variety of positions with Norwest Corporation in Minneapolis. Since last year he has been a member of the retail banking services group for Norwest Technical Services.

Added in Chamberlain

Dennis Yeaton has joined the Norwest Bank staff in Chamberlain as an ag and business banking trainee. He has been employed as a field technician/feed department manager for the Pierre Elevator Association.

Correction!

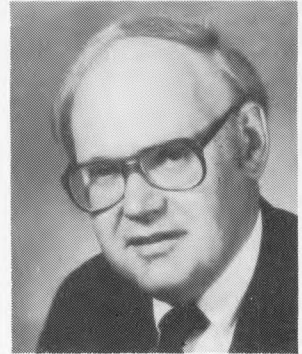
The Commercial State Bank of Wagner was omitted from the Largest Banks in South Dakota chart in the March issue. As of December 31, 1987, Commercial State had total deposits of \$50,397,000 and net loans of \$22,770,000, making it the 24th largest bank in the state. We regret this omission.



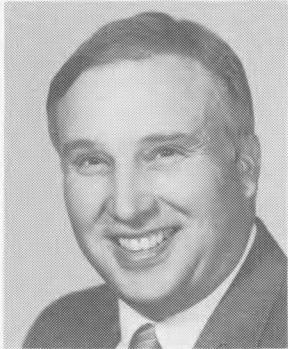
L. NESS
President



C. SCHIRBER
Pres.-Elect



D.S. BIRKELAND
Vice President



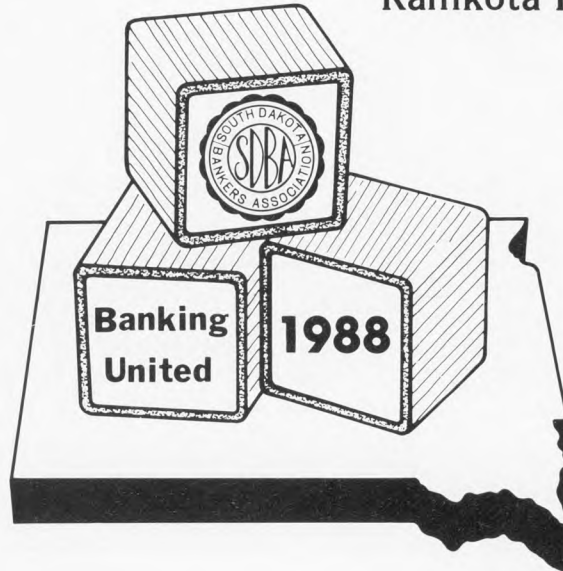
J.I.M. SCHWARTZ
Exec. Vice Pres.



D. A. KIRKEBY
Conv. Chairman

South Dakota Bankers Association 96th Annual Convention

May 15-17, 1988
Ramkota Inn, Sioux Falls



THE 96th Annual Convention of the South Dakota Bankers Association will be held May 15-17 at the Ramkota Inn in Sioux Falls. This year's theme is "Banking United."

Presiding over the convention will be SDBA President Larry Ness, president of First Dakota National Bank in Canton. Slated to succeed him is President-Elect Christine Schirber, executive vice president of Dewey County Bank, Isabel. The association's vice president is David S. Birkeland, president and CEO of First Bank of South Dakota, Sioux Falls. J.I. Milton Schwartz is the association's executive vice president.

Speakers at the convention will include Dr. Barry Asmus, noted author, lecturer and professor of economics; FDIC Director C.C. Hope, Jr.; Kent Stickler, president of Financial Shares, Inc. Clearwater Beach, Fla., and ABA President-Elect Thomas P. Rideout.

On Sunday night the convention starts in lively fashion with a "Roaring 20's" reception, dinner and

dance. Monday afternoon will feature men's and women's golf tourneys. Tuesday's highlights include a fellowship breakfast with John Cassis; a "Gallery 306" tour; the annual president's reception and banquet, and evening entertainment by "The Apollo Club" a renowned men's chorus from Minneapolis.

The complete program follows:

Sunday, May 15

P.M.

- 4:00 Registration, exhibit hall open.
- 6:30 "Roaring 20's" Reception, Dinner.
- 9:00 All convention dance.

Monday, May 16

A.M.

- 8:30 Registration, exhibit hall open.
- 9:30 General session opens.
- "Economics and the Spirit of Enterprise"—Dr. Barry Asmus, prof. of econ., Phoenix, Ariz.



C.C. HOPE



T. RIDEOUT



B. ASMUS



K. STICKLER

"FDIC National Update"—C.C. Hope, FDIC director.

Election of SDBA officers.

P.M.

12:30 General session adjourns.
Men's golf tournament.

2:00 Women's golf tournament.
Miniature golf, complimentary cocktails and sundae bar, Crystal Room, compliments of South Dakota Bankers Insurance Services.

Tuesday, May 17

A.M.

7:30 Fellowship breakfast: "How to Soar Like an Eagle, With Wings Like a Wimp"—John Cas-

sis, Phoenix, Ariz.

9:30 General session opens.

"Banking Yesterday, Today and Tomorrow"—Kent Stickler, pres., Financial Shares, Inc. Clearwater Beach, Fla.

Address—Thomas Rideout, pres.-elect., ABA.

P.M.

12:30 General session adjourns.

Past Presidents' All-Convention Luncheon.

1:30 "Gallery 306" Tour.

6:00 President's Reception.

7:00 Annual Banquet.

8:30 "The Apollo Club" Men's Chorus.

10:00 Convention adjourns. □

You Will See Them at the S. Dak. Bankers Convention

The following metropolitan bankers and service and equipment dealers have indicated that they will be attending the annual convention of the South Dakota Bankers Association in Sioux Falls, May 15-17:

Minneapolis/St. Paul

Allison-McWilliams Co.: John Clarey, president and CEO, and Tom Hayden, senior vice president.

American National Bank: James A. Russell, vice president; Donald R.

Lindeman, assistant vice president.

FBS Capital Markets Group: Ken Wales, senior vice president/advisor; Ken Bezdicek, Bruce Hebel and Allen Highum, vice presidents; Mike McArdele, assistant vice president; John Nilles, investment rep.

Marquette Bank: Mark Schabert and James Kammerer, vice presidents; Richard Holmes, assistant vice president; Todd Kennedy, I.C.

Norwest Bank Minneapolis: John P. Sampson, senior vice president; Robert L. Rasmussen, vice president.

Norwest Investment Services, Inc.: Tim Skildum, senior vice president; David Butterwick and Tom Gormley, assistant vice presidents.

Norwest Technical Services: Philip J. Benson, regional sales manager.

Sioux City

First National Bank: Gary Stevenson, vice president.

Sioux Falls

First National Bank in Sioux Falls: Dennis Kirkeby and Jerry Feldhaus, senior vice presidents; Tom Long, vice president.

Norwest Bank South Dakota: Donald S. Hooper, Craig H. Johnson and Peter J. Cappa, vice presidents.

In South Dakota, Don Hooper's got you covered.



Meet Don Hooper, Norwest's Correspondent Banker for South Dakota. When you have correspondent banking needs, he's a good person to know. Don makes it his business to understand the special needs of community banks. And he wants to do business

with you. Talk to Don about our complete line of specialized correspondent banking services. When it comes to correspondent banking, he's got you covered.

NORWEST BANKS
CORRESPONDENT BANKING

Tri-State Trust Conference to be Held April 24-26

The Tri-State Trust Conference, co-sponsored each year by the bankers associations of Minnesota, North Dakota and South Dakota, will be held April 24-26 at the Holiday Inn City Centre in Sioux Falls.

Featured speaker at the conference will be Robert A. Esperti, author of *Loving Trust*. Other highlights of the gathering will be concurrent sessions and golf and tennis tournaments.

The complete program follows:

Sunday, April 24

P.M.

- 12:00 Golf or tennis.
- 5:30 Registration opens.
- 7:00 Welcome reception.

Monday, April 25

A.M.

- 7:45 Buffet breakfast.
- 9:00 Call to order, Bruce Ley, chmn., SDBA Trust Committee, v.p. & t.o., Bankwest, Pierre.
- 11:00 "Loving Trust"—Robert A. Esperti, Jackson Hole, Wyo.
- "Customer Service: It Can Mean the Difference Between a Happy Customer and an Ex-Customer"—Rodney C. Lear, v.p., Fidelity Investments Institutional Services, Chicago, Ill.

P.M.

- 12:00 Luncheon and speaker: "Economic Outlook for Trust."
- 2:00 "Trust Productivity in the 80s and 90s"—John L. Hoffer, v.p., Federated Securities Corp., Akron, Oh.
- 3:00 Concurrent sessions:
 - "Operations & Computer Applications"
 - "PC Based (Micro) Software"
 - "In House Mini and Super Mini Frame Computer Software"
 - "Asset Allocation and Market Timing"
 - "Employee Benefit Trust Administration"
 - "Exams, Regs and Trust Compliance & E & O Insurance"
- 4:00 Concurrent sessions repeat.

Tuesday, April 26

A.M.

- 7:45 Continental breakfast.
- 9:00 "Administration of Estates and Trusts"—Ted R. Ridle-

huber, pres., Cannon Financial Institute, Athens, Ga.

10:30 "Sales & Marketing Services for Trust Departments"—David A. Hall, principal, Marketshare Associates, Niles, Mich.

11:30 P.M. Concluding remarks.

12:00 Luncheon. □

SDBA Seminar Will Focus on Funds Availability Changes

The South Dakota Bankers As-


sociation will offer a seminar entitled "How to Profit from the Coming Changes in Funds Availability" on April 20 at the Holiday Inn in Mitchell. Instructor will be G. Michael Moebs of Moebs Services.

Registration begins at 8:30 a.m. and the seminar will run from 9:00 to 3:30 with a noon lunch. Fee is \$115 per person and includes materials, continental breakfast and lunch. Those unable to attend may purchase the reference manual for \$95. This manual is free to attendees. Contact the SDBA to register.



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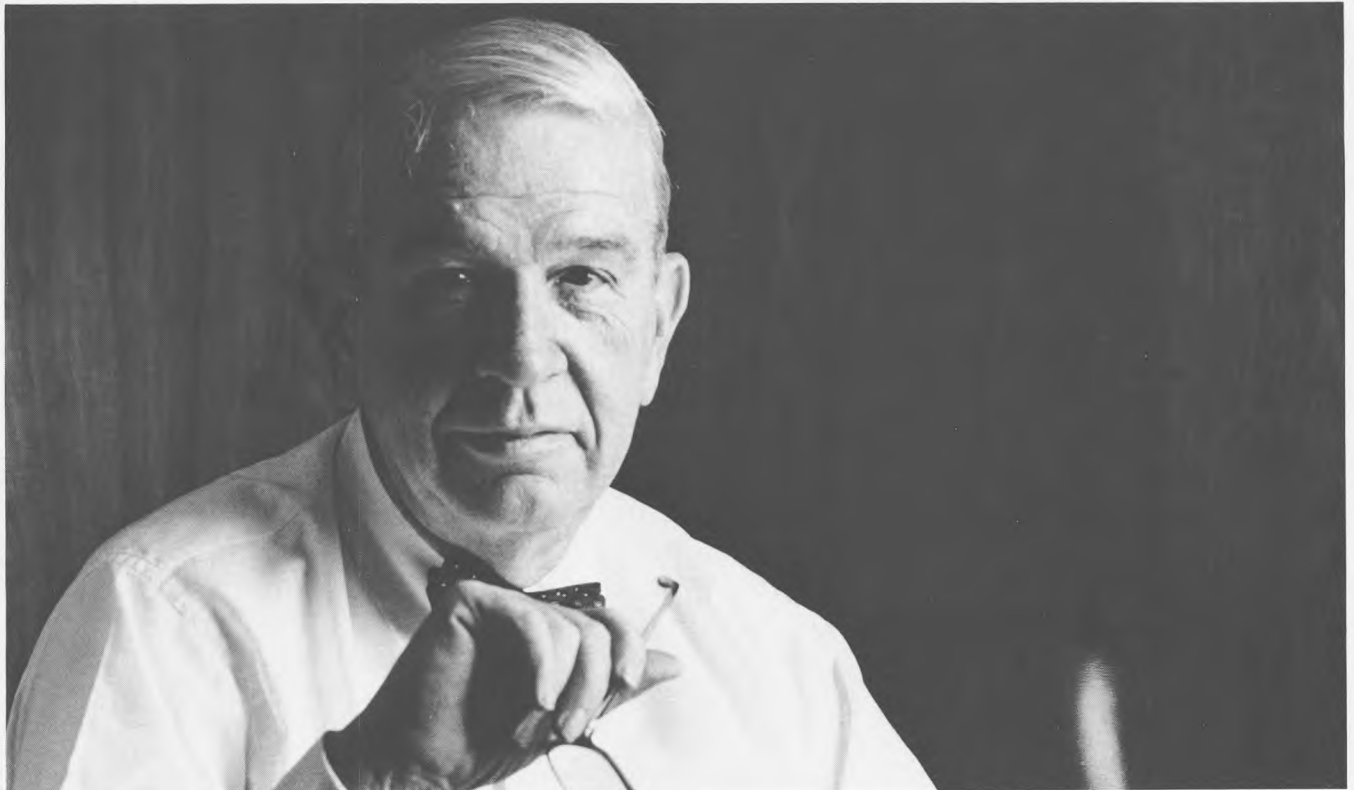


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● Management Conference/Legislative Reception Draws Over 400 Registrants

By **BEN HALLER, JR.**
Publisher



MORE THAN 200 bankers attended the Iowa Bankers Association's 1988 Bank Management Conference at the Marriott Hotel in Des Moines early last month, and that number doubled to more than 400 people for the IBA's reception the first evening for members of the Iowa state legislature.

John Pothoven, chairman of the IBA Management Committee, presided at the meeting. He is president and CEO of Mahaska State Bank in Oskaloosa.

IBA President Clair J. Lensing, president of Farmers State Bank in Marion, extended a welcome at the opening session. He stressed again the theme of economic development being pursued by the IBA this year. That necessary involvement, he said, also is a part of the IBA's long-range strategic plan which the officers, directors and staff have been updating.

Ken Bretthorst, chairman of First St. Louis Securities in St. Louis, Mo., spoke about "Investment Opportunities." He said, "Repercussions from the October 19 crash were felt later, and ours may not have been felt yet. Government markets are volatile, and since all other markets key off of them we have volatility in all markets. The federal

deficits are key and the longer we put off facing this issue the more we're going to pay for it. Uncertainty prevails in the market... Rates tend to stay down in an election year. The Fed this year is as political as its ever been. We now have a chance to see Chairman Greenspan and other directors reacting to pressure and keeping rates low. Given those scenarios, what can we do now?"

Mr. Bretthorst said "anytime you buy something other than Treasuries you're going to give up some liquidity. Just don't forget the basic purpose of your portfolio is to remain safe and liquid. Look at your portfolio policy and dust it off and rewrite it a little. It's going to have to work harder for you. This also means *you're* going to have to work harder and spend some real time with your portfolio. If you don't work on it, you're not going to make money."

Mr. Bretthorst suggested bankers look at three alternative investments: FNMA Arms, floating rate CMOs, and GNMA Arms, outlining their advantages and their disadvantages.

Iowa Superintendent of Banking **Ed Tubbs** also urged bankers to become heavily involved in economic

development in their own communities and for the entire state, since they will be investing in their own future by doing so. "The old days are *not* coming back," he emphasized. "We need to cope with and manage change. How we do it will determine our survival. I can't be all things to all people in my bank and neither can you. Let them [customers] know that anything that restricts your ability to lend will hurt marginal borrowers. To help us achieve our goal we need to further educate our employees, our public and the media. Learn to be a true manager. If we do, we will prosper and survive."

A. Arthur Davis, general counsel for the IBA and senior partner in the Davis, Hockenber, Wine, Brown, Keohn & Shors firm in Des Moines, covered the difficult subject for bankers today—"Lender Liability." Just because economic times in the upper Midwest are improving, Mr. Davis cautioned, doesn't mean that such suits are going away.

Mr. Davis discussed at some length these points: 1. The establishment of credit, but not documented. 2. A credit granted document. 3. Management of credit. 4. Environmental law. 5. RICO and its interpretations. 6. Settlement. 7. Loan



PARTICIPANTS in the Bank Management Conference included, from left to right: **Neil Milner**, exec. v.p. IBA; **Ken Bretthorst**, chmn., First St. Louis Securities, St. Louis; **John Pothoven**, IBA Bk. Mgmt. Comm. chmn. and pres., Mahaska State, Oskaloosa; **Edward L. Tubbs**, Iowa supt. of bkg.; IBA Pres. **Clair J. Lensing**, pres., Farmers State, Marion, and Des Moines attorneys **Kathleen Reimer** and **Howard Hagen**.



LEFT TO RIGHT—Mr. Pothoven is pictured with Dr. Herbert Prochnow, former president of The First Natl. of Chicago. In center is A. Arthur Davis, IBA genl. counsel, and at right is Don Ogilvie, ABA exec. v.p.

participations. 8. Credit inquiries. One point Mr. Davis stressed throughout his talk was to “Get rid of the notion that you *have* to have everything agreed upon in an oral discussion . . . Don’t cross over from discussion to commitment, no matter how small the loan is, until it has been approved by the authorized party or parties in your bank. The bank officer should follow such a discussion with a letter stipulating that no agreement has been reached and that the request is still being negotiated. Put a copy or memo in the file and make sure you get to all the terms before deciding.”

Wes Ehrecke, IBA senior vice president for legislation, updated bankers on the bills then before the state legislature.

Don Ogilvie, executive vice president of the American Bankers Association, was a previously unannounced guest speaker. He was in the city to present the Iowa Bankers Association with a plaque for completing ten straight years of participation in BankPac with 100% participation. He quickly reviewed federal legislation, with the centerpiece at that time being the Proxmire/Garn Bill which had cleared the Senate Banking Committee 18-2 and was headed for a floor vote in late March. Mr. Ogilvie also discussed the possibilities the companion bill would face in the House.

Neil Milner, IBA executive vice president, followed Mr. Ogilvie and said “one of the most important things we’ve learned from this grass-roots letter-writing nationally and at the state level is that we have established contacts with legislators

and they know our bankers!” He said Iowa has nearly 18,000 bank employees and directors, double the number of Iowa licensed insurance agents, with the latter’s national association bringing major opposition to new bank powers. However, Mr. Milner noted, the Iowa Association of Insurance Agents has informed the IBA it does not oppose creation of new bank powers. Nationally, the real estate agents organization has switched from direct opposition to a neutral stand.

Dr. Herbert Prochnow, retired president of the First National Bank in Chicago, and a world-renowned banking economist, gave a superlative review of the economic struggles taking place in this nation and other parts of the world. Drawing on his extensive knowledge of political and economic world history, much of it learned first-hand with meetings around the globe, Dr. Prochnow traced the events leading up to today’s economic status in the world. He discussed the value of currency in various nations, their debts, production and world trade. “Will we have a world-wide recession?” he asked, then answered with a brief, “It’s highly probable in 1988.”

Dr. Prochnow concluded by informing his attentive audience that “We’re living in one of the most important and, in many ways, one of the most critical periods in the world’s history . . . We know how great our achievements have been, but can we realize the hard decisions we need to make? Do we have the will to do so?”

The legislative reception that evening was considered a great success

since a high percentage of state legislators accepted the invitation to meet at the reception with bankers who poured into Des Moines for the occasion.

Management opportunities and responsibilities were the principal topics covered in the second day of the conference. Howard Hagen, who was counsel to the Iowa superintendent of banking for several years when he was an assistant attorney general for the state of Iowa, gave a “D & O Update.” He gave each registrant a detailed outline on the subject matter, then hit the highlights as he went through that furnished booklet. He reminded his audience that “banking now has shifted to a marketing concept, rather than a geographically defined area service.”

He was followed on the platform by Kathleen Reimer, a Des Moines attorney, who caught everyone’s attention with her cautions on “Human Resource Compliance.” Among other points she discussed candidly was the need for all levels of management to handle each situation carefully and with in-depth training when it comes time to terminate any employee. The individuals not only need assistance at that time, she said, but the manager or CEO needs to know how to handle a severance situation in such a way that there are no legal causes for misunderstandings that will lead to lawsuits.

After an extended period for seven round-table discussions, the conference was concluded after lunch with the address by Art Pulis, president of Pulis & Associates, Inc.

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LEFT—Participating in the Davenport B&T Corr. Bkg. Seminar were, left, keynote speaker **Steven M. Roberts**, principal, Peat Marwick Main & Co., Washington, D.C., with **Jim Figge**, off. of pres., host bank. **RIGHT**—Also taking part in the one-day seminar were, from left: **Dave Howell**, corr. bkg. off., host bank; **Rod Burnett**, pres., Farmers Sav., West Union, and keynote speaker **Dr. Robert Keen**, reg. mgr., Agri Business Group, Indianapolis, Ind.

Correspondent Seminar Held

By
ROBERT O. CRONIN
Associate Publisher

NEARLY 200 bankers from Iowa and Illinois gathered at the Blackhawk Hotel in Davenport last month to attend the 1988 Davenport Bank & Trust Annual Correspondent Seminar. The one day meeting featured a highly informative and educational program as well as concurrent workshops during the afternoon session.

Tom Figge, office of president, host bank, welcomed his guests and introduced the first speaker, Dr. Robert "Bobby" Keen, regional manager, Agri Business Group, Indianapolis, Ind. Mr. Keen's presentation focused on "Marketing the New Agricultural Bank."

Mr. Keen, who called the 1980s "the age of efficiency," sees the 1990s as "the age of marketing." "Those banks who want to continue into the twenty-first century have much to do," he cautioned. Mr. Keen said in order for bankers to position themselves for the future they must "understand the changes now occurring, anticipate possible changes and aggressively adapt." Mr. Keen concluded, "Growth in agriculture must come from innovative products and sound marketing strategies."

Also taking part in the general session was Steven M. Roberts, partner, Peat Marwick Main & Co., Washington, D.C. Mr. Roberts touched on several important topics including current trends in the eco-

nomy and banking, as well as the changes ahead for the financial industry.

"October 19 was a warning shot that our economy is not fundamentally sound," Mr. Roberts said. Accompanying the uncertainty of the markets are the "twin deficits" of budget and trade. "Americans consume too much and save too little," said Mr. Roberts. He pointed out the unfortunate situation that since we are a debtor nation, we are borrowing, not from the private sector, but from other governments.

Nevertheless Mr. Roberts went on to say, "Our economy is performing well, despite all that's happened." He reported that during the fourth quarter of 1987, our nation's GNP was at 4% and unemployment figures were at a respectable 5.7%. "Here in the Midwest the economy is doing well, land prices are stabilizing and increasing in some cases, and our exporting position is strong," Mr. Roberts said. "The stabilization should continue through 1988 because this is an election year."

As reasons for the volatility in the financial markets, Mr. Roberts cited: 1. Deregulation, 2. Money and credit more available, 3. Globalized financial markets, 4. Institutionalization of savings, and 5. Use of financial assets to achieve economic stability. "The biggest challenge in the financial industry today is the

changing environment," Mr. Roberts said.

What's ahead? The possible merging of the FDIC and FSLIC funds. "This might be the only likely course taken or debated," Mr. Roberts said. Are we headed for a form of "bi-modal banking," where there exist 50 to 100 very large banks and the medium-sized institution is eliminated? "This change has already begun," he said. "The challenge is to maintain profitability, serve your customers better than anyone else and maintain confidence in the banking system," he concluded.

Mr. Michael Bauer, first vice president, host bank, presented an update on correspondent banking, and four concurrent workshops were held to conclude the afternoon program. The workshops included presentations on information technology, credit card application processing, employee/employer legal issues and expedited funds availability. □

Pres. Named in Perry

Howard K. Hall has been named president and a director of Perry State Bank. Mr. Hall joined the bank in November of 1987, after having served for one year as executive vice president and a director of Raccoon Valley State Bank in Adel. He was Iowa Deputy Superintendent of Banking for 15 years.



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Promoted in Waterloo

R. Scott Fetner, president of The National Bank of Waterloo, has announced the promotion of several staff members.

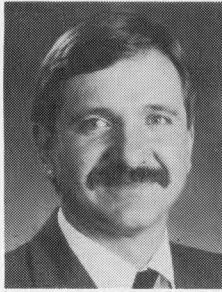
James Chizek, managing officer of NBW's Gilbertville office, has been promoted to vice president. He began his career with the bank in 1978. Mr. Chizek was elected loan officer in 1981, promoted to assistant vice president in 1983, and transferred to Gilbertville in 1986, in charge of commercial and ag lending.

Jay Hall has been promoted to vice president in commercial lending. He began at Midway Bank & Trust in 1979 and was promoted to consumer loan officer in 1980. He transferred to The National Bank of Waterloo as operations officer in 1986 and was named assistant vice president that same year.

G. Thomas Volding, formerly assistant vice president—NBW farm division, has been promoted to vice president. Beginning as a farm manager in 1977, Mr. Volding was promoted to assistant vice president in 1982.

Robert Cook has been promoted to assistant vice president. He began with the bank in 1979. He became a computer programmer in 1980 and data processing officer in 1984.

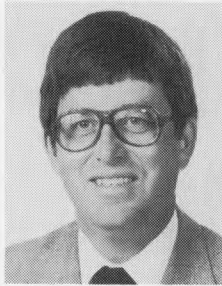
Michael Butler was also promoted to assistant vice president. He began with Midway Bank & Trust in



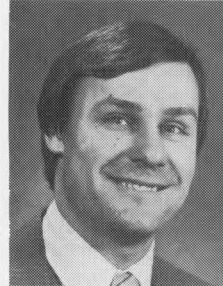
J.C. CHIZEK



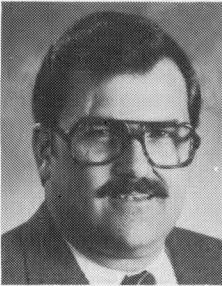
J. HALL



G.T. VOLDING



R. COOK



M. BUTLER



C. SCHROEDER

1977 and became assistant vice president and cashier in 1983. He transferred to NBW as operations officer in 1987.

Claudia Schroeder joined the NBW staff last October in trust

operations and has been promoted to officer status. She was previously employed as a staff accountant with Murley, Bergan & Co. and served as a trust officer at Massachusetts Fidelity Trust Company, Cedar Rapids.

Elected in Le Mars

Several officers have been promoted at Le Mars Savings Bank.

Harold H. Harms has been promoted to vice chairman and senior trust officer.

Henry A. Ahlers has been advanced to president and chief operating officer. He has been with the bank since 1945 and most recently served as executive vice president.

Norris Hawkins has been promoted to senior vice president and trust officer. He joined the bank in 1955 and most recently was vice president and trust officer. Also promoted from vice president to senior vice president is Ruth Ahlers, who joined the bank in 1938.

Robert Scheitler was promoted from vice president to vice president and loan manager; Ross Harden was advanced from assistant vice president to vice president and trust manager, and Gary Mennen has been promoted from cashier to vice president, cashier and operations manager. The men have been with the bank since 1970, 1980 and 1982, respectively.

Other newly elected staff includes: Gerald V. Chapman, vice president and real estate loan manager; Carol M. Schmitz, assistant vice president and loan review officer; Ann Schulz, assistant vice president, student loan manager and insurance coordinator; Allen Plath, assistant vice president and farm representative; Bonnie Klohs, assistant cashier and bookkeeping supervisor; Wayne Heien, assistant vice president and auditor, and Kim Clarey, teller supervisor.

Elected in Waukon

Donald O. Bakke and Herbert R. Dehli have been elected to the board of directors of Farmers & Merchants Savings Bank, Waukon. Both are lifelong residents of Allamakee County and engaged in farming.

Rudolph J. Dehli and Edward J. Grady were appointed honorary directors. Both have been members of the board for 38 years.

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● IBA to Hold Marketing Conference April 18-20 in West Des Moines

● **“M**AXIMIZE Marketing with Sales and Service” is the theme of this year’s IBA Marketing Conference, to be held April 18-20 at the University Park Holiday Inn in West Des Moines. The gathering will feature an exhibit area and the annual Best of Iowa Awards Banquet.

● Excellent speakers and valuable concurrent sessions are geared to instructing and motivating bankers to improve the sales environment at their institutions. In addition, participants will be inspired by an audio-visual presentation of the winners of this year’s Best of Iowa Awards for advertising and marketing.

The complete program follows:

Monday, April 18

P.M.

7:00 Registration desk open. Get-Acquainted Reception featuring caricature artist Cliff Long.

Tuesday, April 19

A.M.

8:00 Continental breakfast.
9:00 Welcome—Marketing Committee Chair Mary Doak, a.v.p. and mktg. dir., The Grundy Natl. Bank, Grundy Center.

9:05 “Creating a Sales and Service Culture: Talk is Cheap”—Barbara Sanfilippo, seminar leader, Oakland, Calif.

P.M.

12:00 Lunch buffet. Presentation on “buzz groups” by John Pothoven, pres. and ceo, Mahaska State Bank, Oskaloosa.

1:30 Concurrent sessions: “Sales Tracking and Incentives,” Wes Sargent, Deluxe Sales Development System, Denver.

“How to Teach an Elephant to Dance,” Dave Holub, v.p. mktg., Security Natl. Bank, Sioux City.

“Maximizing the Potential of Your Business Market,” Alex Huck, pres., Alex Huck & Assoc., Green Bay, Wis.

3:30 Concurrent sessions repeat.

6:00 Reception.

7:00 Best of Iowa Awards Banquet.

Wednesday, April 20

A.M.

7:30 Continental breakfast.
8:30 “Productivity Begins with You”—Lee Shelton, Lee Shelton & Assoc., Denver.
10:30 “A Passion for Customers”—videotape by Tom Peters, co-author of “In Search of Excellence.”

P.M.

12:00 Luncheon with motivational speaker Caesar Smith, Des Moines.
1:30 “Achieving Excellence in Service Selling”—Lee Shelton.
3:00 Adjournment. □

Pres. Appointed in Oakland

Gerald R. Anderson has been elected to the board of directors of the Citizens State Bank in Oakland, and appointed president and CEO of the bank. He previously served with the Exchange State Bank in Adair and Wagner Banking System of Schuyler, Neb.

Elected in Maquoketa

Dennis Huss of LaMotte was recently elected a new director at Hawkeye Bank and Trust in Maquoketa. In addition, Kay Lindstrom, West Platt Street office manager, was promoted to assistant vice president.

Remodeled Facility Completed in Council Bluffs

Council Bluffs Savings Bank has completed the remodeling of the building it purchased at 509 West

Broadway in Council Bluffs, just west of the main office.

Thomas D. Whitson, chairman, states, “This facility will give us more office space needed by various departments in the bank. The addition will allow us to continue our growth in Council Bluffs and to provide even better customer service.” He advised that no teller functions or cash transactions will take place in the addition. Departments to be located there include instalment loans, real estate, human resources and marketing.

Remodeling was done by Jackson-Jackson & Associates of Omaha. The challenge was to make a 40s-style building more energy efficient and aesthetically pleasing while preserving the Beaux Arts style.

The west facade was developed into a main entrance, with access to a new parking area with new landscaping. Landscaping elements were designed at 45 degree angles to harmonize with landscaping of the newly constructed building to the east.

Original stonework and window cappings found on the building were duplicated on the west side, and all windows in the bank were replaced with bronze-tinted, insulated ones. An interior vestibule will be created to provide a thermal barrier from the front entry, done in high-gloss black with brass hardware.

The open two-story space originally designed for the building will remain, and new colors will complement the existing marble and terrazzo used in the building. When the teller stations were removed, marble was salvaged and re-used.

Elected in Indianola

Dr. Stephen G. Jennings has been elected to the board of directors of Peoples Trust and Savings Bank in Indianola. He is president of Simpson College in Indianola.

1988 Iowa Group Meetings

Group	Date	Location
4	May 2	Dubuque
8	May 3	Davenport
7	May 4	Marshalltown
6	May 5	Des Moines
5	May 16	Council Bluffs
2	May 17	Fort Dodge
12	May 18	Okoboji
3	May 19	Clear Lake

Hayesville Bank Fails; Is Liquidated by FDIC

The 76-year-old Hayesville Savings Bank, located in the tiny southeastern Iowa village of Hayesville, population 73, was declared insolvent March 10 by Iowa superintendent of banking Edward L. Tubbs. When the FDIC, as receiver, was able to attract only one bid for the failed bank, which was rejected, the Hayesville Savings was liquidated. The FDIC made arrangements with the Farmers Savings Bank in nearby Fremont to act as paying agent and the Hayesville Savings deposits of \$36.4 million were turned over to Farmers Savings for payout to depositors of the failed bank. Fifteen customers had a total of \$84,000 deposited in excess of the \$100,000 insured limit.

The FDIC has retained the entire loan portfolio of about \$19 million, of which \$12 million was in farm loans.

Twenty-five percent of the Hayesville Savings Bank stock was owned by C.J. "Lefty" Mertz, 79, and his brother, Elmer "Big" Mertz, 86. C.J. Mertz was still president of the bank when it was closed. His older

brother is retired and lives in a nursing home. In addition, there were about 50 other stockholders in the area.

Mr. Tubbs said it had been planned to close the bank late last year but an application was on file with the FDIC under the recently enacted capital forbearance program. When that was turned down, the superintendent's office had no alternative but to close down the bank. Mr. Tubbs said Hayesville Savings and the Mertz brothers had been strong leaders in ag lending in southeast Iowa for decades, and their dedication to seeing their customers through difficult times resulted in loan losses since 1981 that overwhelmed the bank's capital. The portfolio at closing date had non-performing ag loans of \$1.5 million.

Hayesville Savings was founded in 1912 by area residents, including the father of Elmer and C.J. Mertz.

Elected in Stanton

Ivan D. Husa has been elected chairman of the board of Security State Bank, Stanton. He has served as president since January, 1987.

Stephen F. Redman has been elected secretary of the board. He has been vice president and a director since last fall.

Garnet Requist has been promoted to cashier and elected a director. She has served for ten years at the bank as assistant cashier.

Pres. Elected in Shell Rock

Jim Arens has been elected president of Security State Bank, Shell



J. ARENS

Rock. He had served the past year with the Farm Credit System. Prior to that association, Mr. Arens was with the First National Bank of Waverly for almost 30 years. He was elected assistant cashier there in 1959, and cashier in 1961. In addition to that title he was named vice president in 1971, senior vice president in 1975, and president in 1983. He held that post until 1986.

Named in Wayland

Robert Meyer has been named president of the Wayland State Bank. He most recently was the executive vice president and has been with the bank since 1975.

Dr. J. Glen Widmer, who was president, has been named chairman. He has been a director since 1953.

Changes Told in Hartley

Security State Bank in Hartley has announced new officers, effective January 14, 1988. They are: M.J. Kuehl, chairman of the board; Gale E. Bobolz, president; Jack Cuttell, executive vice president and cashier; Harland D. Goetsch, vice president; Russell Boles, assistant vice president; Joyce J. Wagner, assistant cashier, and JoAnne Lefever, bookkeeping operations officer.

Named in Vinton

Dennis P. Weiss has been named senior vice president and manager of the loan department at the State Bank of Vinton. Prior to joining the bank in 1983, he worked as a national bank examiner and as a lending officer at banks in Harlowton, Mont. and Eldora, Ia.

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LEGAL assistant Ruth Sendeki confers with Robert DeWaay, exec. v.p. for Merchants National Bank (left) and Larry Christy, exec. v.p. and c.f.o. The two men made arrangements to create Mrs. Sendeki's innovative position after she conceived and researched the idea.

How one employee's innovative idea was turned into profitable reality

Written exclusively for
THE NORTHWESTERN BANKER
By CARL KANE
Merchants National Bank
Cedar Rapids, Ia.

"HERE was a positive suggestion from an employee and the bank gave it an opportunity to prove itself." That's the succinct way Robert DeWaay, executive vice president, summarizes how Merchants National Bank came to create a position for a legal assistant in the bank's loan department. The Cedar Rapids, Ia., bank is one of the first banks in the Midwest to employ a legal assistant in a department other than the trust department.

However, the new legal assistant, Ruth Sendeki, is not new to the bank. She had been in banking for 12 years and joined MNB in 1980 as credit manager in the credit card department—but she created, pur-

sued and won the new position as legal assistant.

Richard Salat, vice president and senior loan officer, recalls that an early question about employing a legal assistant was "How will she be able to fill a day?" Mr. Salat's answer now is, "Believe, me that is no problem."

He points out that, although Mrs. Sendeki's primary responsibility is in the commercial loan department, she already is serving the mortgage loan, correspondent banking and international banking departments, as well as being available to personal bankers.

Mrs. Sendeki was intrigued to read in a magazine in 1982 that the legal assistant profession was among the nation's "ten fastest growing job areas." The study of law had long fascinated her so she enrolled in the Business Law I class at Kirkwood Community College. Plugging away one class at a time, she completed the course during the 1988 winter term.

But, about halfway through the course, Mrs. Sendeki realized she had a problem because virtually all legal assistants were employed in law offices. She was concerned: "I didn't want to give up the bank to be a legal assistant but I was really enjoying the legal assistant work."

Or, as another bank employee said recently, "Ruth is a banker at heart but she has the soul of a legal assistant."

She was promoted to credit analyst in the credit department in November, 1985. She discovered that various bank officers were paying attorneys as much as \$100 an hour to do legal work she could handle.

Then it hit her: "Maybe there is a way I can combine my banking experience with my legal assistant education."

However, she didn't get much encouragement when she surveyed banks in the Midwest, including major banks in Kansas City and Chicago. In order to prepare a job description for Merchants National, she wanted to learn what assignments other banks gave to legal assistants. It was disconcerting to discover that most of the banks had no legal assistants and the few who did employed the legal assistants only in the trust department.

Undismayed, Mrs. Sendeki wrote her own job description, pulled from the files examples of work she was qualified to handle, collected examples of her writing and invaded the office of Larry Christy, executive vice president and chief financial officer.

Mr. Christy recalls, "I was really impressed that she would perceive—in such detail—what could be done. Here was a long-time employee who had developed an additional skill that could be valuable to the bank. I know she also had a stake, but it was a concept that would save money."

After only a few months experience with the new arrangement, Mr. DeWaay is impressed with such advantages as better communication and consistency, improved quality of documentation, protection for the bank by preventing "things from falling through the cracks" and the saving of time.

"It saves time for the customer too," Mr. DeWaay said. "Loans can be closed more quickly."

Mrs. Sendeki is making certain that each SBA loan is properly docu-

mented to prevent any unforeseen exception. MNB officials also cite her value because of the complexities of the new bankruptcy law. She is involved in assignment of loans and promissory notes, reviewing all new notes of more than \$200,000 to ensure the bank has secured its position.

A significant part of her time is spent in research and in assisting loan officers prepare documentation. Mr. Christy says arrangements were made with the bank's legal firm for Mrs. Sendecki to use the firm's law library for research.

The end result of Mrs. Sendecki's pioneering effort came as a birthday present when Mr. Salat called her into his office.

"I'll never forget the date, August 12, 1987, the day after my birthday," the still-exuberant Mrs. Sendecki remembers. "First thing he said was, 'You can break open the champagne. It [creation of the new position] has been approved. And the position is yours!'"

Mr. DeWaay also sees a plus for employee relations in the episode. It sends a message: "When someone comes with an innovative idea, management is going to get behind it and see how it works." □

A.T. Donhowe Dies at 90

Funeral services were held in Des Moines last month for Arthur T. Donhowe, 90, who died of cancer March 2 in Scottsdale, Ariz.

Mr. Donhowe was a widely-known banker in Iowa as vice president and head of the correspondent banking department at Central National Bank and Trust Company of Des Moines (now First Interstate Bank of Des Moines, N.A.). He retired from that position June 1, 1962, but continued as a director of the bank until 1979.

Mr. Donhowe was born May 15, 1897 in Northwood, Ia., and was reared in Story City. His father owned banks in Randall and Story City. He began his 71-year banking career in 1917 at a bank in Thor after his high school graduation, then joined the Randall Savings Bank. He took a year out to attend



A.T. DONHOWE

Cornell College, then returned to Randall Savings, where he was elected cashier at the age of 20. Mr. Donhowe entered the U.S. Army in 1918 during WW I with the 60th Balloon Company. He returned to Randall where he remained until being elected cashier at the Story City National Bank in 1923. In 1925 he was named president of the Randall Savings Bank.

Mr. Donhowe moved to Des Moines where he accepted a position with Central State Bank April 11, 1927. He was named an officer in 1929, a vice president in 1937 and a director of the bank in 1947, and headed the correspondent division for many years.

He was inactive chairman of City State Bank of Ogden from 1945-49 and inactive president of First Federal State Bank of Des Moines (now part of Hawkeye Bank Des Moines) from 1949-51. Mr. Donhowe purchased majority interest in the Norwalk-Cumming State Bank in Norwalk in 1951 and served as a vice president and director of the bank until his death. His son, Robert M. Donhowe, has been chairman of the bank since 1968.

Mr. Donhowe was president of the Iowa Bankers Association in 1941-42. He served later as state vice president of the American Bankers Association, and served four years on the Iowa state banking board. Mr. Donhowe also was state vice president for the Independent Bankers Association of America and a member of the IBAA executive council.

Elected in Lone Tree

At Farmers & Merchants Savings Bank, Lone Tree, Gayle F. Kaalberg has been named senior vice president. He has been serving as vice president and will continue as senior ag loan officer.

Robert R. Wisor has been elected vice president and named security officer. He left the Iowa State University Extension Service, where he worked with their "ASSIST" program, to join the bank in 1986.

Changes Told in Mason City

On December 31, 1987, Hawkeye Bank & Trust of Mason City was purchased by a group of local business and professional people. The bank was then merged with the

Community State Bank of Rockwell, and the name changed to Liberty Bank & Trust. Subsequently, the charter was moved to Mason City, with a branch office remaining in Rockwell. Don Holder of Holder & Associates, Ames, provided acquisition assistance.

Joe D. Petra has joined Liberty Bank & Trust as president and CEO. Mr. Petra most recently served as president and CEO of Salem National Bank, Salem, Ill.

Jim Davids has joined the bank as vice president. He most recently was head of credit administration for First Midwestern Financial Corporation in Hampton, Ia.

Added in Marshalltown

Richard E. Ingledue has joined the staff of Commercial State Bank as vice president in charge of the agricultural loan department. He had spent the past four years in the loan department at Hawkeye Bank & Trust in Eldora.

Brad A. Berg has joined the bank as an investor center representative. He had been employed with an investment company in Kansas City, Mo.

Elected in Dubuque

George L. Stitzel has been elected vice president—trust investments at First National Bank of Dubuque. Prior to joining the bank, Mr. Stitzel was an assistant vice president and senior trust investment officer at RepublicBank Dallas, Dallas, Tex., for 12 years. He was an analyst and economist with oil, consulting and investment banking firms before his service with that bank.

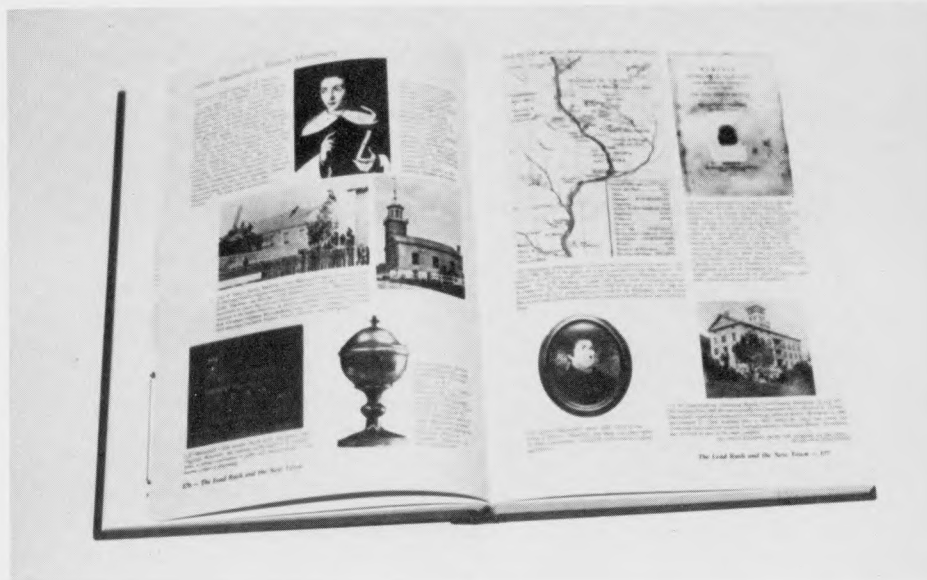
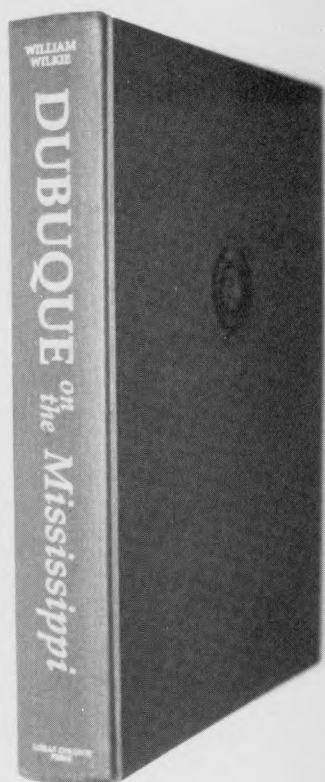
Appointed in Oxford

Marvin Miller has been appointed cashier at First Trust and Savings Bank. He has been with the bank since 1972, most recently as assistant cashier.

Lloyd Hruby has been named to the bank's board of directors. He is a local farmer.

Added in Webster City

Norman K. Rizer has joined the staff of Farmers National Bank in Webster City as assistant cashier in charge of the accounting and personnel departments. He previously served as cashier at The Union Bank & Trust Company in Strawberry Point.



CD Premium Offer Becomes Best-Seller in Dubuque

by
PEGGY HUDSON
First National Bank of Dubuque

FIRST National Bank of Dubuque recently completed a very successful Certificate of Deposit promotion, made possible by a truly unique premium offer.

From November 8 through December 31, 1987, the bank offered both depositors and the general public the opportunity to obtain a copy of *Dubuque on the Mississippi*, a beautiful, hard-bound pictorial history of the city, written in celebration of the bicentennial of the arrival of the city's founder Julien Dubuque.

Dubuque on the Mississippi was specially commissioned for the bank by William G. Kruse, chairman and CEO, and C. Michael Reilly, vice president of marketing and business development. The text was written by Father William E. Wilkie, professor of history at Loras College in Dubuque, and is the result of eight years of research. More than 500 pages in length, this book contains over 900 pictures and photographs, some of which have never before been published.

Eighteen months of preparation was required to complete the marketing planning and strategy. A full media campaign was employed including radio, TV, outdoor, direct mail, and point-of-purchase advertising.

The book was made available at each bank office with a certificate of deposit, discounted according to the amount of the CD. The book was also available to the general public for \$19.95 (including tax) with no deposit obligation.

From the moment the book was advertised it was an astounding success! Shortly after we began the campaign we found our book was the hottest Christmas gift item in the city. Mid-month in December we found we had exceeded our expectations in creating demand for the book, and decided to curtail sales to the general public to protect our remaining book inventory for our CD customers.

Non-deposit purchases accounted for 63% of the books, while public relations (gifts to libraries, etc.), business development and miscellaneous (display books, etc.) made up 11% of the books distributed. The remaining 26% of the books were CD premiums.

Of the certificates of deposit, 27% was new money to the bank, exceeding our goal of 25%. The other 73% of the CD monies were checking, savings, and certificates previously on deposit at First National Bank of Dubuque.

From November 8 to December

31, 1987, 793 new CDs were opened totaling \$7,381,643.31. Changes in the number and dollar amount of CDs for the eight week period reflects a new increase of 437 CDs, and a net increase of \$2,538,643.47, or 3.6%.

A second printing of the book was slated for March 1988.

First National Bank is proud to have been able to make this fine history available to the City of Dubuque. □

Added in Iowa Falls

Mike Stensland has joined Iowa Falls State Bank as an assistant vice president. He replaces Keith Stanek who is leaving to return to the family farm near Fort Dodge.

Mr. Stensland, who will be handling agricultural loans at the bank, was with the Farm Credit System for four years and has been with Iowa Falls Farmers Cooperative Elevators as a marketing consultant.

Added in Clarion

Brian D. Mino has joined Brenton Bank & Trust Co. of Clarion as assistant vice president. He was previously employed by First National Bank of Ames as internal auditor.

Promoted in Iowa City

Clark Houghton, president of First National Bank, Iowa City, has announced the following promotions:

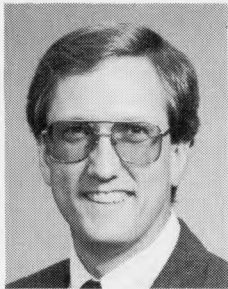
Helen Dailey has been promoted to vice president and cashier. She joined the bank in 1973 and served as auditor from 1979-1983. She was named second vice president in 1984.

Christopher Knapp and Bob B. Walker have been named customer service officers. Mr. Knapp joined the bank in 1977 and Mr. Walker in 1985.

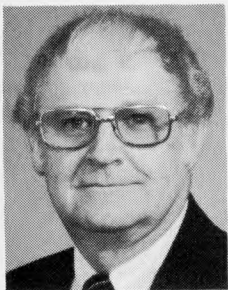
Margaret Bauerle Nelson has been named business development officer. Before joining the bank last year, she was an interior designer/space planner and marketing representative with Dana Larson Roubal and Associates architectural/engineering firm in Omaha, Neb.

Named in Indianola

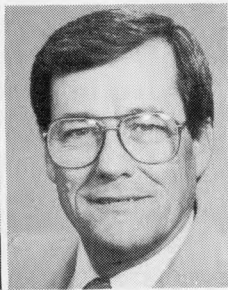
At Peoples Trust & Savings Bank, Indianola, Todd Kirkpatrick has been named auditor. Mr. Kirkpatrick joined Peoples Bank last year as an intern. He became a full-time credit analyst and most recently served as a consumer loan officer.



T. KIRKPATRICK



T.J. NICHOLLS



R.M. HENNICK

Marge Sams will be assuming additional consumer lending responsibilities and will be working with Mr. Kirkpatrick's loan customers.

T.J. Nicholls and Milt Hennick, both senior vice presidents of the bank, have announced their retirement.

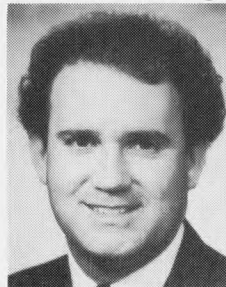
Mr. Nicholls joined the bank in 1949. He has served as full-time auditor for the past year. Prior to that he was cashier and auditor.

During many of his 38 years of service, Mr. Nicholls was secretary of Peoples Bank and PT&S Bancorp. He is a past-president of the Central Iowa Chapter of the National Association of Bank Auditors and Controllers, now the Bank Administration Institute.

Mr. Hennick has been with the bank since last January in the operations and data processing areas, marketing new services to correspondent banks. Previously, Mr. Hennick spent 27 years with The National Bank of Waterloo.

Appointed in Dubuque

William D. McGeehan, president of American Trust and Savings Bank, Dubuque, has announced the appointment of John M. Grabow as trust officer. Mr. Grabow specializes in estate planning and estate and trust administration. Prior to joining the bank in 1986, he practiced law in Minneapolis.



J.M. GRABOW

B.L. Day Runs for Senate

Burtwin L. Day of Norway, Ia., has announced his candidacy for the office of state senator in District #38 which includes Benton, Tama, part of Marshall and Black Hawk counties.

Concern for the economic vitality of the rural communities of the district will be the number one priority of his campaign. "State and local government must work together to create the opportunity for quality of life in rural Iowa," Mr. Day stated.

Mr. Day has spent his business career of 27 years in banking, real estate and insurance. Currently he is president of the Benton County Savings Bank, owner and broker of Day Realty and partner of Day Insurance & Services, all in Norway.

He has been actively involved for many years in the work of the Iowa Bankers Association, having served on the board of directors of the Iowa

Transfer System and Iowa Bankers Mortgage Corporation. For three years, Mr. Day was a trustee of the Graduate School of Banking.

Presently, he is serving a second term on the Iowa Higher Education Loan Authority, a state agency serving the private colleges and universities of Iowa. Throughout his career, Mr. Day has continuously promoted the Guaranteed Student Loan program as a means of assisting college students needing financial aid. His bank was one of the first in the state to reach out and publicly advertise student loans.

Raised on a family farm, active in 4-H, the Brighton, Ia. native is a graduate of Iowa State University in animal husbandry and served as an officer in the U.S. Army in Germany.

Davenport Bank Establishes Minority Scholarship Program

Davenport Bank has announced the establishment of a minority work scholarship program that will provide local high school students with an opportunity for more than \$15,000 toward their college educations. The program offers a unique opportunity for on-the-job training before the student graduates.

The Davenport Bank Minority Scholarship will be awarded each spring to a graduating high school senior who plans to pursue studies related to banking. The program includes a \$1,000 annual grant, a \$1,000 annual matching loan and a salaried work opportunity at the bank during the student's college years. After graduation, the loan debt will be reduced 20 percent each year the student is employed by Davenport Bank and eliminated after five years.

A new recipient will be named each year. When the program is in full operation in 1991, four students will be involved.

The goal is to offer important educational and career opportunities to the young men and women of the Quad Cities. By doing so, the bank hopes to encourage the leaders of tomorrow to stay in the community and help it grow.

An eligible applicant must be an ethnic minority (Black, Hispanic, Asian or American Indian) or handicapped senior student in good standing at any of the seven Iowa Quad City-area high schools. Funds must be used at a Quad City-area college.



B. DAY



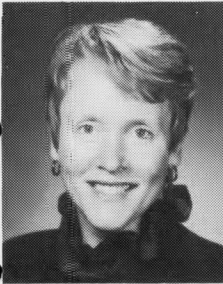
Des Moines

A number of promotions have been announced by **J.C. (Buz) Brenton**, president and CEO of Brenton National Bank of Des Moines.

Mary Sweeney has been promoted to vice president/human resources director. She has been with the



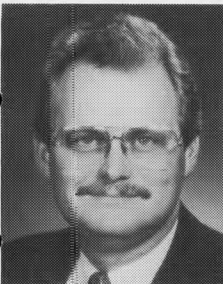
M. SWEENEY



S. MARQUART



P. VIAL



C. CARLSON



D. BENOIT

bank since 1977, serving as personnel officer and director of human resources.

Sharron Marquart has been promoted to vice president/sales manager. She has been a bank employee since 1970 and was named sales manager in 1986.

Peggy Vial has been named assistant vice president/office manager for the Capital Square office. She has held several positions since joining the bank in 1967, and was named office manager in 1985.

Carl Carlson has been named assistant vice president/consumer lender, based at the 29th & Ingersoll office. He joined Brenton in 1978.

Diane Benoit has been named assistant vice president and will manage the credit department.

In addition, **Imogene Wilmeth** has been named customer service officer/assistant office manager for the Northwest office; **Janet Nelson** has been named assistant cashier, and **Kenneth Brenton** has been named loan officer/assistant office manager at the Ingersoll office. Ms. Benoit joined Brenton in 1961, and Ms. Nelson came to the bank last year from Moline, Ill. Mr. Brenton transfers from the Brenton Bank in Cedar Rapids.

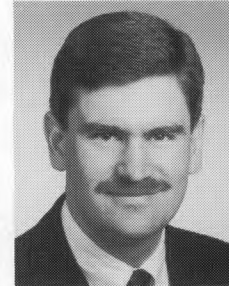
* * *

First Interstate Bank of Des Moines has announced several officer appointments.

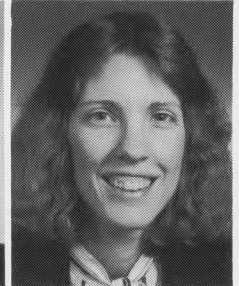
David B. Bryant has been named commercial banking officer in the Iowa commercial services division. He joined First Interstate from Continental Illinois National Bank, where he was a commercial banking associate in the private and community banking area.

Nancy Behmer has been appointed finance officer. She has served as a senior accountant since 1986, and prior to that was an auditor for Hawkeye Bancorporation of Des Moines.

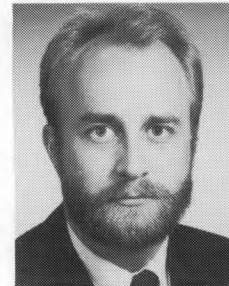
Gary Austin has been elected officer for the investment sales department. Prior to joining First Interstate, he served as investment portfolio manager with First South Savings Association in Houston, Tex.



D. BRYANT



N. BEHMER



G. J. AUSTIN



K. CHRISTENSEN

Billie Logan has been appointed process control manager. She most recently served as customer support representative II at First Interstate Information Systems, and prior to that had served as manager of the bank's South Des Moines office.

Kathleen "Kas" Christensen has been appointed mortgage loan originator at the West Des Moines office. She has been involved with real estate financing since 1973.

B of I to Acquire United Bank & Trust of Ames

Banks of Iowa, Inc. and Great Mid-West Financial Company, parent company of United Bank and Trust, Ames, announced on February 23 that they have entered into an agreement providing for the acquisition of United Bank and Trust. The transaction has been approved by the boards of directors of both companies and shareholders of Great Mid-West, and is subject to regulatory approval. Completion of the transaction is expected in July. The two companies previously announced an agreement in principle regarding the transaction.

At December 31, 1987, United Bank and Trust had assets of \$139 million. Banks of Iowa, Inc. had assets of \$2.3 billion.

FDIC Says Insurance Fund Posts Modest Gain in 1987

The Federal Deposit Insurance Corporation insurance fund grew by \$48.5 million during calendar year 1987 despite a record number of insured bank failures, according to unaudited year-end financial data presented to the FDIC board of directors.

At the end of 1987, the banking industry's insurance fund stood at \$18.3 billion, up modestly from the \$18.5 billion reported at the end of 1986. Preliminary data indicate the ratio of insurance fund assets to insured deposits was 1.10 percent. The FDIC had dealt with 184 bank failures and provided financial assistance to the 19 insured banks, compared to 138 bank failures and seven assistance transactions during 1986.

Stanley J. Poling, director of the FDIC's Division of Accounting and Corporate Services, told the Board of Directors that total revenues for the year were \$3.3 billion. Mr. Poling said administrative operating expenses amounted to \$202 million while liquidation expenses and insurance losses totaled \$3.1 billion, almost all of which represented an addition to the FDIC's allowance for losses on assets acquired from failed banks for liquidation.

The fact that 1987 results were positive is encouraging in view of the record number of bank failures and assistance transactions, which included the full cost of the First City Bancorporation, Houston, Tex., assistance transaction, the second largest in the history of FDIC. Fur-

thermore, new approaches to handling bank failures during 1987 enabled the FDIC to maintain its cash and U.S. Treasury investments at \$16.1 billion, down only slightly from year-end 1986.

The Division of Liquidation's portfolio of assets acquired from failed institutions remained at approximately \$11.5 billion, the same level as 1986, Mr. Poling said. Aggressive management of the liquidation portfolio and efforts to maintain assets of failed banks in private hands were responsible for this stability.

NEBRASKA NEWS. . .

(Continued from page 33)

held April 17-22 at the Holiday Inn in Manhattan, Kan.

Heading up the faculty will be George Ruth, vice president of the metro financial group and author of the ABA's new commercial lending and commercial loan officer development texts.

Graduation from this 200-level school serves as excellent preparation for bankers planning to attend the National Graduate Commercial Lending School.

Applications will be handled on a space-available basis. For more information, contact Jone Beer or Rose Jean Clifton at (402) 421-1107.

Changes Told in North Platte

Richard Coleman, president of the North Platte National Bank, has announced the addition of several new officers and the promotion of one officer.

Joining the bank as assistant vice president and loan officer is Steven Mayer. He will work primarily with commercial loans. He comes to the bank from the First National Bank of Wayne, where he was a loan officer.

James Ostermeyer, who has been in charge of the consumer loan department for the past 12 years, has been promoted to vice president.

Ted Klug, Jr. will be serving as assistant vice president and an agricultural loan officer. Russell Smith has been appointed assistant vice president and will be working with real estate and installment loans.

Virgil Scott has been appointed administrative officer and will be working in all areas of bank operations.

Promoted in South Sioux City

At Nebraska State Bank in South Sioux City, Alice Bargeon and Bonnie Peterson have been promoted to assistant vice presidents in the operations department.

Mrs. Bargeon has been with the bank since 1979, and her responsibilities have been concentrated in the data processing center. Mrs. Peterson joined the bank 1983 and is head of bookkeeping and teller functions.

Promoted in Hay Springs

Don D. Nolan has been promoted to assistant vice president at Northwestern State Bank in Hay Springs. He previously served as a loan officer.

Elected in Kearney

Jan Baker has been elected assistant cashier at Platte Valley State Bank and Trust Co., Kearney. She has been employed at the bank since 1978, and her duties will be in the new in-house computer area.

Platte Valley experienced a record year in 1987, according to Chairman Wayne McKinney. Total assets reached an all-time high of \$98,334,252.01.

Elected in Norfolk

Marci Nelson has been elected assistant manager—real estate loans at the Bank of Norfolk. Ms. Nelson has been with the bank for seven years.

Retired in Ainsworth

At Commercial National Bank in Ainsworth, Second Vice President Mary Baker has retired after 30 years with the bank.

In addition, Tom Baxa has joined the bank staff as assistant vice president in the loan department.

Added in North Platte

L. Jean Long, CPA, has joined First United Bancshares, Inc., North Platte, as internal auditor. Ms. Long will conduct audit work at subsidiary banks including Broken Bow State Bank; Farmers National Bank, Grant; McDonald State Bank, North Platte; Nebraska State Bank, Ord, and Bank of Burwell.

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The numbers speak for themselves

Which travelers cheques do your customers prefer? Check the numbers.*
The overwhelming favorite is American Express. 63% of your travelers cheque customers prefer them.

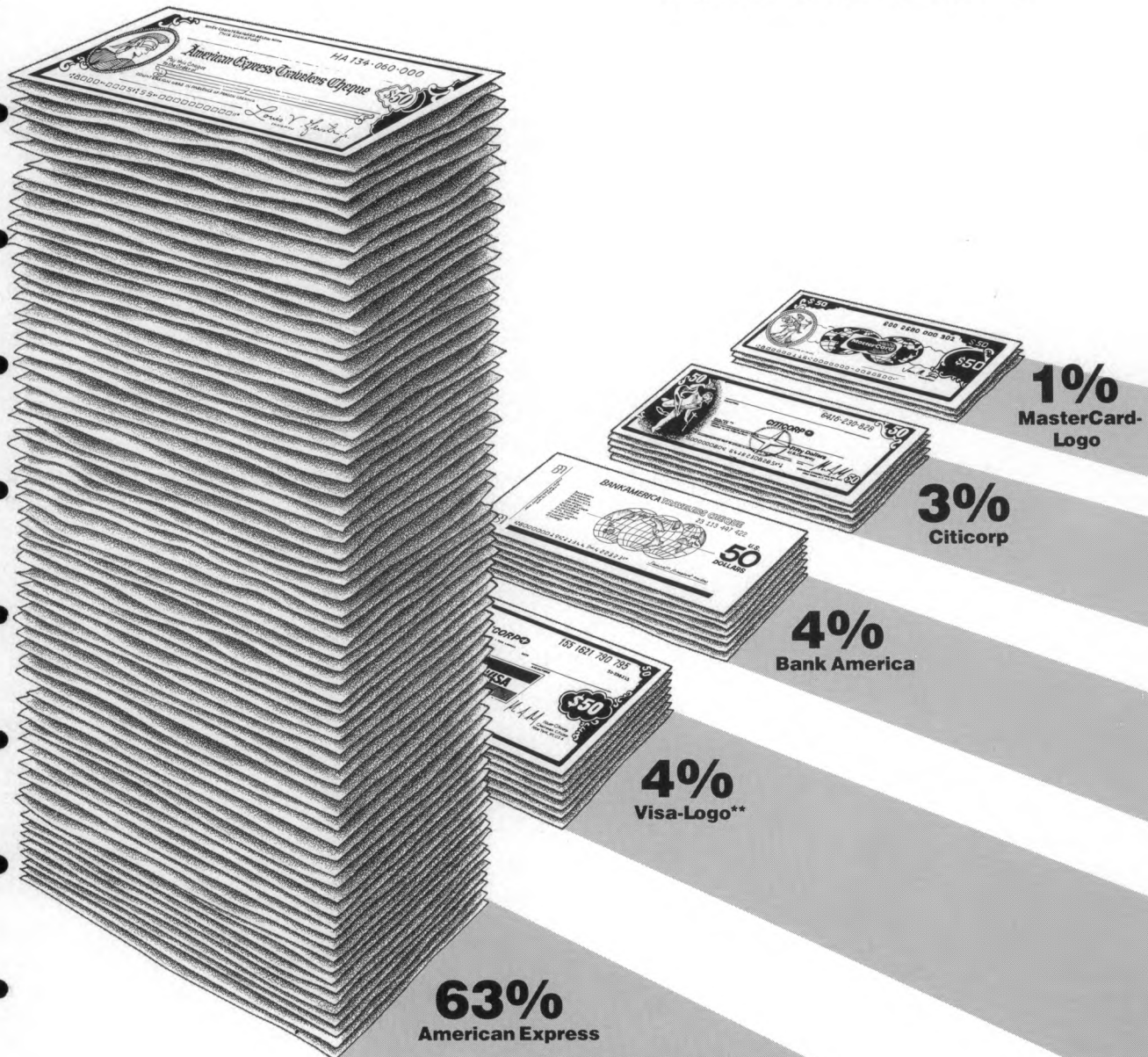
After that, 4% prefer Visa®-Logo Travelers Cheques (Visa-Logo travelers cheques are actually issued by Citicorp, Barclays Bank and BankAmerica), and 4% prefer BankAmerica Travelers Cheques, 3% Citicorp® Travelers Checks, and 1% MasterCard®-Logo Travelers Cheques.

And, as you know, the customers who walk in for travelers cheques are your best customers...the ones who walk out with CD's. Mortgages. Demand Deposits.

So make sure you carry American Express® Travelers Cheques. They're what your customers want. Just check the numbers.



They're what your customers want.™





When it comes to correspondent banking, we've got you covered like never before.

Wherever your bank is located, whatever size your bank may be, you can count on a Norwest Correspondent Banker to bring you the specialized services you need.

Our Correspondent Bankers are available throughout the midwest to serve you better and faster. We make it our business to understand

the special needs of community banks. And we want to do business with you.

Whether you need a bank valuation, acquisition financing, ATM access, investment alternatives, or any of our correspondent services, call your Norwest Correspondent Banker. When it comes to correspondent banking, we've got you covered like never before.

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