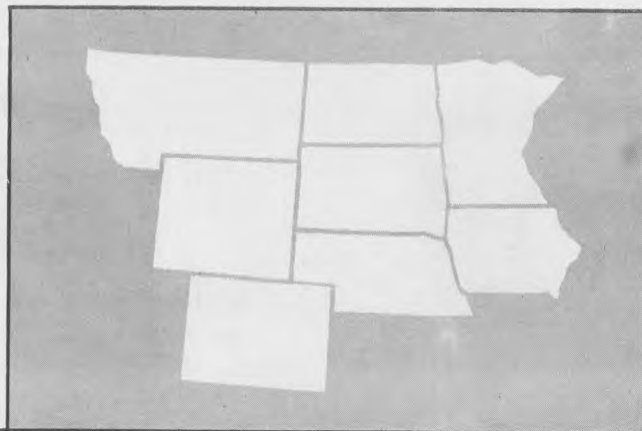


NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1008

Des Moines, Iowa

December 19, 1966

The Supreme Court ruled that state limitations on branch banking by state-chartered banks are fully applicable to national banks.

This decision will be of particular interest to Montana bankers who are currently watching a pending merger between a Butte bank and the bank in Anaconda. Details can be found on the back page of this Bulletin.

The court said national banks and Federal agencies that regulate them must observe state laws that allow state banks to open branches only by taking over existing banks. The case involved two national banks in Utah, First Security Bank in Ogden and First National Bank of Logan, that wanted to establish new branch offices despite a Utah law restricting branch banking.

The High Court ruled unanimously that Federal law requires national banks to adhere to whatever limitations are placed on state banks by state law. The decision was a defeat for James Saxon, who as Comptroller of the Currency was chief Federal regulator of national banks. The controversial Mr. Saxon, who left office last month, tried in many ways to increase competition among banks.

He argued, in the Utah branch-banking case, that "Federal policy strongly favors competition among banks" but that the Utah law and similar state statutes are anti-competitive.

Underwriting Decision Pending at Press Time

A decision was expected at press time from U.S. District Judge Alexander Holtzoff as to whether national banks may underwrite revenue bonds. Such authorization was granted to banks by former Comptroller James J. Saxon, but the Federal Reserve Board of Governors opposes this position, stating that the law prohibits the national and state member banks from underwriting any bonds except general obligations. The suit was joined by 100 investment firms also opposed to revenue underwriting by banks.

BULLETINS...

OMAHA: A decree reversing a State Banking Department order granting a charter to the Southroads Bank of Omaha was issued last week by a Lancaster County District Judge. The ruling resulted

from a contention filed by the Bank of Bellevue that the Southroads Bank had not met requirements of law to be eligible for a charter.

The Judge held that the applicant for the Southroads charter was not a corporation nor a de facto corporation and had not filed the necessary statements for the charter. Charter was granted by Henry E. Ley, former banking director.

WESTERN, NEBR.: Chester Rhynalds, 68, president of the Nebraska State Bank, died last week.

MAQUOKETA, IOWA: Jerry S. Maples has been named assistant vice president and trust officer of the Jackson State Savings Bank. He has been with Eastman Kodak Company and the Continental Illinois National Bank, Chicago.

MINNEAPOLIS: The Minnesota League of Credit Unions will ask legislature to change the name of the State Banking Department to Financial Institutions Department.

STURGIS, S.D.: Fred C. Barth, vice president and manager of the Bear Butte Valley Branch of the American National Bank and Trust Company, Rapid City, died last week. The funeral was held last Friday.

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IOWA NEWS

CLEAR LAKE: Effective January 1, Lawrence L. Bless will be associated with the Clear Lake Bank and Trust Company. He has been with the Ventura State Bank for the past 56 years, being cashier and chief operating officer for over 30 years.

COLESBURG: J. C. Bolsinger, president of the Farmers Savings Bank, has retired at the age of 87. He has served on the bank's board of directors 44 years.

Succeeding Mr. Bolsinger is F. C. Grimes, who has been chairman of the board for the past year.

A party honoring Mr. Bolsinger was held last week.

DENVER: The Denver Savings Bank has announced plans for a new building. Bids will be received in mid-January.

HOPKINTON: Citizens State Bank has opened for business in its new building. Featured is the only drive-up facility in Delaware County.

JESUP: William Walter Blasier, 85, died last week. He was chairman of the board of the Farmers State

Bank and retired as president in 1950. In 1947-48, Mr. Blasier served as president of the Iowa Bankers Association.

He joined the bank in 1910 as cashier and became president in 1919.

KEOKUK: E. A. Ebersole, well-known southeastern Iowa banker, recently announced that he will retire after more than 45 years association with the State Central Savings Bank. He was vice president, cashier and a director. He will continue to serve on the board.

Mr. Ebersole is also a past president of the Iowa Bankers Association serving in that capacity in 1938-39.

NEW HAMPTON: First National Bank has moved into its recently completed new building after 90 years in its previous location.

NEBRASKA NEWS

CLEARWATER: Remodeling of the Citizens State Bank has been completed and open house was held last Saturday (December 17).

GRAFTON: Stephen H. Rasmussen has purchased the controlling interest in the Grafton State Bank. He has been elected president of the bank. Herbert O. Rasmussen has also been elected to the board of directors.

MINNESOTA NEWS

BELLINGHAM: The State Bank of Bellingham has increased the amount of capital stock from

\$25,000 to \$33,000, by sale of new stock.

EDINA: Roland M. Holt has been promoted from assistant cashier of the First Southdale National Bank to cashier and secretary of the board. Newly created positions were assigned to W. Bryan Jensen, manager of the credit department; Robert M. Cross, manager of the personnel department; and James R. Bowe, operations assistant.

HAWLEY: The State Bank of Hawley has been authorized to increase the amount of capital stock from \$100,000 to \$150,000 by sale of new stock.

KENYON: Security State Bank of Kenyon has completed a new addition to the bank. Open house was held late last week.

MARSHALL: Arlen O. Krugerud, assistant cashier of the Western State Bank, has been promoted to assistant vice president. He joined the bank in 1962.

MINNEAPOLIS: C. Paul Lindholm, vice president of the Northwestern National Bank, has been named to head the correspondent bank department, succeeding Keith M. Barnett who died October 26. Assisting Mr. Lindholm will be Robert G. Zeimer, vice president, and Donald M. Anderson, assistant vice president.

Mr. Lindholm joined the bank in 1948 as a teller, and moved into the correspondent bank department in 1951. Moving up the officer ladder in succeeding years, he was named vice president in 1964.

MOUND: Dallas Olson has been named assistant cashier at the State Bank of Mound. He previously worked for seven years in the controller's department at the Northwestern National Bank in Minneapolis and was a trust auditor when he resigned.

ST. PAUL: The North Central Companies has purchased an eight-story building in the downtown area as the site of its new home office building. The Companies will occupy the building December 30.

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ST. PAUL: At the First National Bank of St. Paul, four officers have been promoted and 10 staff members have been advanced to officer status.

Promotions include Perrie C. Boliou, from assistant vice president to vice president, and James T. Gowan, Dale S. Hanson and Donald G. Sampson, from assistant cashiers to assistant vice presidents.

New officers are Herbert Alberg, Roger Berg, David Hyduke, George Janssen, William Mandel, Patrick McGraw, John Palmer, Robert Peterson, Louis Spies, and Edward Wolterman. All were elected assistant cashiers with the exception of Mr. Palmer, who was named real estate officer.

VIRGINIA: Joseph T. Behl, cashier of the Northern State Bank of Virginia, has been given the added responsibility of vice president.

WANAMINGO: Everett A. Ohr, cashier of the Security State Bank, has been named to the bank's board of directors.

SOUTH DAKOTA NEWS

SIOUX FALLS: C. A. Lovre, president of the Northwestern National Bank, has been elected president of the Sioux Falls Chamber of Commerce.

WYOMING NEWS

CASPER: Willard E. Matz, assistant vice president in the mortgage loan department of the First National Bank, took his life recently. He had been with the bank since 1950, and was promoted to his present position in 1965.

COLORADO NEWS

ALAMOSA: LeRoy Swari, cashier of the First National Bank, has been elected a vice president of the Colorado Association of Commerce and Industry.

BRIGHTON: A 30% disbursement is scheduled to be paid creditors of the defunct Brighton National Bank by the Federal Deposit Insurance Corporation, according to Thomas



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Zelazny, FDIC liquidator. This amount is being paid on claims against the bank for business expenses, plus claims of those who had certificates of deposit in excess of \$10,000.

Still pending in U. S. District Court at Denver is a suit brought by the FDIC against the Hartford Accident and Indemnity Company to pay off on \$1,125,000 in surety bonds it had issued on the Brighton National.

If the FDIC is awarded its claim against Hartford, it is hoped creditors of the Brighton National eventually will receive about 75% of their claims. Loss to the FDIC would then approximate \$1.5 million.

DENVER: The American National Bank has purchased land adjoining the bank's property to provide space for expansion of the bank's facilities.

ERIE: The Bank of Erie has asked the Colorado Bank Commissioner for an extension until June 30 of the bank board's order to move the Erie bank to the Villa Italia Shopping Center. Shortly after approval for the move was granted in January, 1966, the 17th Street National Bank announced that it had received permission to move

to the shopping center, and is operating there as the Villa National Bank.

FRUITA: Majority stock holdings in the Fruita State Bank have been purchased by Leo Van Dittie of Palm Springs, California. Mr. Van Dittie was formerly vice president of the Central Bank and Trust Company of Denver. Associated with him in the purchase of the Fruita bank is Rip C. Underwood, Amarillo, Texas, oilman. Both men will become directors of the bank and D. Earle Brumbaugh, now executive vice president, is reportedly scheduled to become president.

VAIL: Application for a national charter for the proposed Gore Valley National Bank at Vail has been turned down by the Comptroller of the Currency.

MONTANA NEWS

GREAT FALLS: John M. Davis will join the Great Falls National Bank as vice president in charge of agricultural lending January 1. He has been executive vice president of the Bank of Glacier County at Cut Bank. He will also be involved in the commercial lending activities of the Great Falls Bank.

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MONTANA NEWS

(Continued from preceding page)

HELENA: According to Robert Wallace, secretary of the Montana Bankers Association, member banks have voted to "sustain the action of the executive council," to support legislation rescinding the controversial statute which permits "consolidated" banks to "maintain and operate" offices of both merging banks following a consolidation.

Action was motivated by an application now pending before the Comptroller of the Currency to allow the Daley National Bank of Anaconda and the First National Bank of Butte to merge and operate divisions in both cities.

As announced in the December issue of the *Northwestern Banker*, Montana Superintendent of Banks Albert E. Leuthold and two Butte banks have filed suit to prevent the merger.

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NATIONAL NEWS

CHICAGO: Jack A. Durra has joined La Salle National Bank in commercial loan administration and business development for the metropolitan group. Mr. Durra, who has been with another Chicago bank, will be an assistant vice president.

CHICAGO: Roland W. Blaha, executive vice president of the Illinois Bankers Association, has been named Illinois' first commissioner of state banks and trust companies.

CHICAGO: Among several promotions announced by the American National Bank and Trust Company was the promotion of John H. Baldauf to vice president in the correspondent bank division. In the same division, William J. Davis and Douglas C. Mills were named assistant cashiers.

MILWAUKEE: Mr. Sheldon B. Lubar, former vice chairman of the board, has been named president of Mortgage Associates, Inc. He was formerly president of the Marine National Exchange Bank.

PHILADELPHIA: Full Service Bank advertising made its television debut Sunday, December 18 through the Foundation for Commercial Banks' sponsorship of the color

animated musical special "How The Grinch Stole Christmas."

ST. LOUIS: Major B. Einstein, senior vice president of the First National Bank, will retire December 31.

WANT ADS

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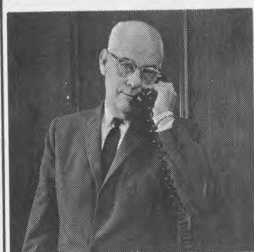
FOR SALE

The Farm Picture and The Ranch-Farm Picture, modern newsletters that talk money and credit to farmers and ranchers from a banker's point of view. Samples for inspection. Farm Business Council, Inc., P. O. Box F, Urbana, Illinois 61801.

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