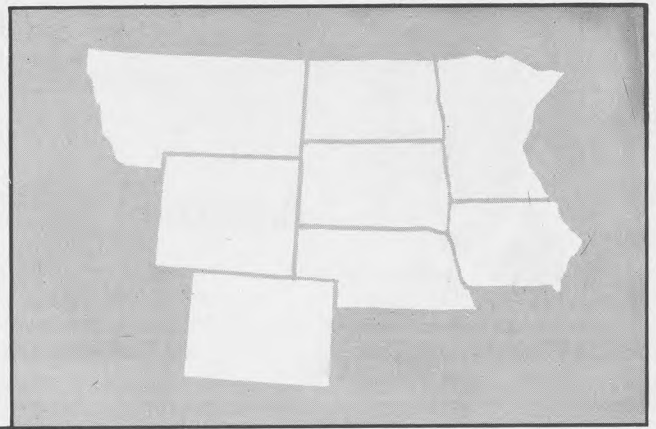


# NORTHWESTERN Banker

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## To Appeal Data Processing Decision

In a decision that will be appealed, a Federal district court has ruled that data processing firms have no standing to challenge national bank entry into their field because the National Bank Act offers them no protection against such competition.

Judge Philip Neville of the U. S. District Court in St. Paul, Minn., on the basis of that finding, dismissed the suit brought by the Assn. of Data Processing Service Organizations, Inc., a national trade group, and Data Systems, Inc., a Minneapolis firm, against the Comptroller of the Currency and American National Bank and Trust Co., St. Paul.

Both plaintiffs will file an appeal with the U. S. Eighth Circuit Court of Appeals. Meantime, another suit against the Comptroller and Industrial National Bank of Rhode Island, involving the same issue—whether a national bank may offer data processing services to the public—is pending in a Federal district court in Providence. A decision in that case on the standing issue and motion for

dismissal is expected in about one month.

In handing down the first decision on the data processing question in favor of the banking industry, Judge Neville relied heavily on a 1967 opinion of Eighth Circuit Court holding that the Administrative Procedure Act requires one to have suffered “a legal wrong” in order to have standing to challenge programs administered by governmental agencies. The plaintiffs had cited that statute in their arguments on standing.

The only injury the data processing firms alleged, he said, is “solely an economic injury arising from what is contended to be illegal competition.” And, he added, “there is a long and well established line of judicial authority holding that plaintiffs whose only injury is loss due to competition lack standing to maintain legal action to redress their economic injury. These decisions hold that mere competitive injury even though resulting from governmental action does not give standing to a person so injured to seek relief in the courts.”

In one of the most important aspects of the decision, Judge Neville said he found the standing issue in the data processing case and those in other cases challenging Comptroller rulings on expansion of powers “distinguishable.” Basically, he said, the National Bank Act contains provisions that impliedly “protect a class” such as insurance agents and mutual funds. “There is no such statute protecting data processors,” he said.

### BULLETINS...

CHICAGO: Bernard Miller has been advanced from a.v.p. to v.p. of Drovers Natl. Bank. Mr. Miller, who lives in Fort Dodge, Ia., is in the bank's correspondent dept.

ELDON, IA.: J. C. Blackford has been named pres. of the First Natl. Bank, Eldon. He succeeds Robt. Weidenbach. Mr. Blackford will continue as pres. of Union Bank & Tr. Co., Ottumwa, serving the Eldon bank on an inactive basis.

IOWA FALLS, IA.: Richard E. Miller has been advanced from cash. to v.p. and Richard Peterson moved from a.c. to cash. at Citizens State Bank.

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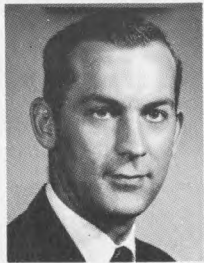
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#### IOWA NEWS

**ALTA VISTA:** Paul Hentges, cash. of the Alta Vista State Bank, has been elected a director. The bank has purchased the Harry Schulz Ins. Agency and merged it with the Joe Menges Agency under the name of Alta Vista Ins. Agency. Harry Schulz was named a.c. and mgr. of the agency.

**BELLE PLAINE:** Keith G. Gaffney, cash., State Bank of Belle Plaine, has been advanced to v.p. & cash.

**BUFFALO:** Theodore Radetzki has been advanced from a.c. to cash. of Buffalo Sav. Bank.

**BURLINGTON:** James E. Peare was named a.t.o. and Terry D. Leffler was named a.c. in the installment loan dept. of the First Natl. Bank.

**CLINTON:** Ed Jorgenson retired recently from First Natl. Bank. He has joined Clinton Natl. Bank and will be in charge of the bank's expansion and building program. He was with First Natl. for 43 years.

**DAVENPORT:** Northwest Bank & Tr. Co. has elected Theron P. Thomsen, v.p., Life Investors Ins. Co., Cedar Rapids, as a director.

**DES MOINES:** Central Natl. Bank & Tr. Co. advanced Richard L. Smith, from a.v.p. to v.p. in the correspondent bank dept. Barton C. Pettigord is now cash.; W. A. Bush is

controller, and Robert D. Jones is a new a.c. New directors are: J. Merrill Anderson of the Iowa Farm Bureau; Ed Glazer, pres., Dial Finance, and Charles Betts, Jr., pres., Betts Cadillac.

**DONAHUE:** J. Orville Grell has been elected a v.p. of the Donahue Sav. Bank. He has served on the bank's board since 1940. He succeeds H. C. Friederichs, who passed away in Nov., 1967, after having served on the board since 1927. Roy E. Grell, a retired farmer and a son-in-law of the late Mr. Friederichs, was elected to the board.

**FORT DODGE:** John M. Peters, t.o., The State Bank, has been advanced to v.p. and t.o. He joined the bank in August, 1967.

**HARCOURT:** L. E. Carlson, cash. of the Harcourt Sav. Bank, was elected exec. v.p. & cash. He joined the bank in December, 1951.

**HILLS:** T. R. James, cash. of Hills Bank & Tr. Co., has advanced to v.p. & cash. Ivan H. Maas was elected new chairman of the board. Dr. William H. Olin of University Hospital, Iowa City, was named a director to succeed the late J. E. Pechman.

**INDEPENDENCE:** Gary F. Short of Cedar Falls has joined the Sec. St. Bank, as an a.v.p. It was reported in last week's issue that Mr. Short had joined a Cedar Falls bank. He has been with Swift &



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**LOWDEN:** American Tr. and Sav. has named A. L. Mensing as chairman of the board to succeed W. H. Witte. Florence L. Stout has been added to the board.

**MONONA:** Joel E. McClure has been named cash. of the Union State Bank. He was previously in banking at Strawberry Point and in southern California.

**OTTUMWA:** Union Bank & Tr. Co. advanced Max von Schrader, Jr. from v.p. to exec. v.p. and Richard M. Ackley from v.p. & t.o. to senior v.p. & t.o. Robert J. Laughridge advanced from a.v.p. to v.p., and J. R. Rukgaber moved from mgr. of farm service dept. to a.v.p. and mgr. of farm service dept. The bank is now paying 5% on six-months CD's on minimum of \$500.

**STACYVILLE:** Gerald Helin has advanced from a.c. to cash. at the Stacyville Sav. Bank.

**WATERLOO:** Wm. E. Troutman has resigned as exec. v.p. at the Peoples Bank & Tr. Co., Waterloo.

**WATERLOO:** Included in promotions at Natl. Bank of Waterloo was the election of Wm. J. Rickert, from a.v.p. to v.p.

#### NEBRASKA NEWS

**AURORA:** Thomas K. Wanek has joined the staff of the Farmers State Bank as ag. rep.

**CODY:** Henry G. Greff has been promoted to a.v.p. at the Bank of Cody.

**COZAD:** Tom Cummings has been



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named pres. of the First Natl. Bank. Robert Walker, former bank pres., has been named chairman of the board. Other officers elected were: Tom Brownfield, senior v.p.; Jerry Wittenberger, v.p.; and Dick Hansen, cash.

CRETE: Kenneth L. Barth has been promoted to v.p. at the City Natl. Bank. Gerald Kerst succeeds him as cash. and Frank E. Krivohlavek has been named a.c. Mr. Kerst and Mr. Barth also were elected to the bank board of directors.

FREMONT: J. D. Schiermeyer has been named chairman of the board at the First State Bank. James H. Moore, Jr., has been promoted to pres. from exec. v.p. The bank also announced a 50% increase in its surplus account, from \$100,000 to \$150,000.

KENESAW: D. L. Boesen has resigned as v.p. from the Adams County Bank. Allen Norris, formerly in charge of the bank's insurance dept., has been named v.p.

LEXINGTON: Virginia Braithwait, who has been v.p. & cash. of the Lexington State Bank, has been named v.p. Duane Phillipi has been moved up from a.c. to cash., and Stephen L. Anderson has been named a.c.

LINCOLN: Larry L. Bazata has been appointed a.c. of the Cornhusker Bank. He has been with the bank since July, 1967.

MILLARD: Wilmer H. Petersen and Lowell E. Boetger, v.p.'s, Bank of Millard; Gilbert L. Thompson, a.c.; and Attorney Robert C. Fisk have been added to the board of direc-

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tors of the Bank of Millard. Mr. Boetger was promoted from a.c. to v.p.

OMAHA: The Nebraska Investment Bankers Association will hold its annual meeting Thursday, Feb. 1, 1968.

OMAHA: Stuart C. Sherwood has been nominated as a director of the Omaha Natl. Bank. He is pres. & chief exec. off. of Fairmont Foods Co. The election will be at the stockholders meeting on January 26.

TALMAGE: Cecil M. Asa, v.p. & director of the Bank of Talmage, recently has completed 50 years service with that bank and has been awarded a 50-year plaque by the NBA.

TEKAMAH: Rex Kates, v.p., First Natl. Bank, has resigned after 16 years of service with the bank. He is leaving on a vacation to Hawaii and will enter private business on March 1.

## MINNESOTA NEWS

BROWNS VALLEY: M. A. Zabel has been advanced from exec. v.p. to pres. of the Union State Bank. Other promotions include: P. J. Zabel from a.c. to v.p.; Jay W.

Lowry from cash. to v.p. & cash., and Loa Meyer to a.c.

CHASKA: The Garver County State Bank, now in its 98th year, moved to its new building last week.

CROOKSTON: Arnold M. Johnson has been elected v.p. & cash. of the First Natl. Bank. He has been with the bank for six years. Previously, he was with banks in Souris and Walhalla, N. D.

DUNDAS: Burton J. Paulsen, former a.v.p. at Northwestern State Bank, Northfield, has joined the Dundas State Bank as cash.

GAYLORD: I. M. Nelson, pres., Citizens State Bank, completed 50 years as an employee and officer of the Citizens State Bank early this month. Joining the bank at age 17, he advanced and became pres. in January, 1945. His son, J. David Nelson, was named a.c. at the annual meeting.

HUGO: Mark G. Houle has been advanced from exec. v.p. to pres. of the First State Bank. A. Richard Gessner has been advanced from a.c. to cash.

LEWISVILLE: Edwin Lueth has re-

(Continued to back page)



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MINNEAPOLIS: The 19th annual Men's Finance Forum, sponsored by the First Natl. Bank, starts Jan. 29-30.

MINNEAPOLIS: Dain, Kalman & Quail, Minneapolis based investment firm, has signed a 19 year lease, including an option to buy the 26-story building, located at 6th & Marquette. Name of the building will be changed to Dain Tower.

MINNEAPOLIS: At the annual meeting of the First Natl. Bank on Jan. 26, George H. Dixon will be elected pres. of the bank and Gordon Murray will move up to chairman of the board. Mr. Dixon, 47, has been with The Sperry and Hutchinson Company the past 11 years and, since 1964, has been the firm's v.p.—finance and treas.

### Open Campaign Against Federal Chartering Bill

A grassroots campaign to defeat the "Federal chartering" bill (H.R. 13718) was launched at a meeting of about 200 key state banking association officials held by A.B.A. in Washington last week.

Dr. Charls E. Walker, A.B.A.

exec. v.p., described the measure as possibly the "greatest legislative challenge commercial bank has faced since the 1930's." And he warned bankers not to "underestimate the strength of the legislative thrust that the combined savings and loan and savings bank industries can muster" in support of Federal chartering.

Both supporters and opponents of the measure have been busy during the congressional recess contacting members of Congress and urging them to vote for or against the bill. The United States Savings and Loan League, for example, has made two all League member mailings and another mailing to its legislative committee urging members to support the bill by contacting and communicating with members of Congress.

The "Federal chartering" bill already has cleared the House Banking Committee, so a vote by the full House of Representatives could come early this year. At least an effort will be made to get a relative early vote so that action also can be taken this year by the Senate. Present indications are that the bill will not even be considered by the Senate Banking

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Committee until the House votes on the measure.

Because this is an election year, there is some speculation that the House leadership may allow the bill to die in the House Rules Committee. This is based on the assumption that most members would rather duck out on the issue rather than be caught this year in a tug-of-war between two major industries.

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