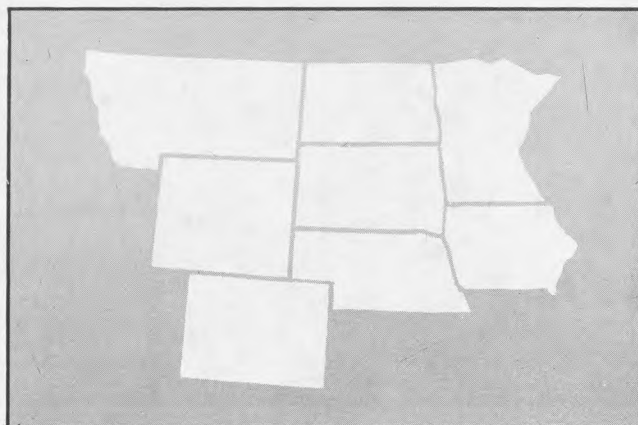


# NORTHWESTERN Banker

Oldest Financial Journal West of the Mississippi



No. 1116

Des Moines, Iowa

September 2, 1968

## Question "Loan Production" Offices

The question of whether "loan production offices" are branches under state law is a key one which will have to be resolved to give real meaning to the Federal Reserve Board's new ruling permitting member banks to establish such offices at "any location in the United States."

In its recent interpretation, the Fed said that loan production offices were not branches under Federal law. However, the question still remains of whether such offices may be considered branches under the various state laws. A ruling that they are branches could ban loan production offices in non-branching states and restrict them in limited branching states.

Philip Hewes, president of the National Association of Supervisors of State Banks, addressed the annual district 2 conference of NASSB at Breezy Point in Minnesota this past week. He praised the portion of the Fed ruling that allows state member banks to set up operational subsidiaries. He did not elaborate on the portion of the ruling that allows "loan production offices." It is contem-

plated that the NASSB will soon develop an official position on this phase of the Fed action at its next Federal Legislative Committee meeting. The meeting will be held within the next 30 days.

NASSB considered the Fed's reversal of its stand (to allow state banks to set up operational subsidiaries) a real victory for state-chartered banks. The ruling was made by the Fed the day following a meeting of heads of a number of large state banks and state banking authorities with Fed officials. Mr. Hewes described this as a "possible coincidence!"

### Plan Credit Card Hearing...

Congressional hearings on the distribution of unsolicited bank credit cards are tentatively scheduled for October, according to Senator William Proxmire (D., Wisc.) chairman of the Senate Financial Institutions Subcommittee.

Senator Proxmire is especially interested in two phases of the growth of credit cards: (1) the effect of credit card use on

consumer debt, and (2) the legal liability of the card holder in the event the card is lost or stolen. It is anticipated that the senate hearings will be exploratory in nature rather than aimed at specific legislation.

Most recent development in the credit card field in the *Northwestern Banker* area is the assignment of Marquette National Bank, Minneapolis, as a licensed agent for BankAmericard for the states of Minnesota, South Dakota and North Dakota. First National Bank of Omaha also is assigned South Dakota, along with Iowa and Nebraska. Commerce Trust Company, Kansas City, is the licensed agent for its trade area.

### Joins Minnesota Bankers...

Wayne F. Berthiaume has joined the staff of the Minnesota Bankers Association, according to Association President J. J. Choromanski, president of the Crystal State Bank.

In announcing the appointment, Mr. Choromanski stated that Mr. Berthiaume will assist in many areas of MBA activity, including research and public relations projects of the Association.

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**IOWA NEWS**

**BETTENDORF:** Marion E. Borton has been elected president of Security State Trust and Savings Bank. He was president of the Exchange Bank in Kahoka, Mo., from 1963 to 1967. Since 1967 he has aided business firms in reorganization in northeastern Missouri. He will join the bank part-time September 16 and assume full-time duties by January 1, 1969. He succeeds Barton W. Smith, who resigned recently.

**DENISON:** Ronald J. Havlik has been named assistant vice president at the First National Bank. He has been assistant vice president and head of the commercial loan department at the State Bank of Virginia, Minn. George Evers has been promoted from agricultural representative to assistant cashier.

**DES MOINES:** William Forst, Iowa Internal Revenue director, has requested an official opinion from Iowa Attorney General Richard G. Turner as to whether the 100 national banks in Iowa are entitled

to a refund on sales and use tax purchases for the last five years.

**HAMPTON:** Mr. and Mrs. D. D. Bramwell announced August 22 the sale of majority stock in the First National Bank to A. M. Saylor of Clarion, effective January 2, 1969. Mr. Bramwell will remain on the board as chairman, and Mr. Saylor will become president of the bank, succeeding Mr. Bramwell. Other officers and the operations of the bank will remain the same. Mr. Saylor, who is in the abstract, real estate and insurance businesses in Clarion, also owns controlling interest in the State Savings Bank at Aplington, where he serves as president, and in the Ackley State Bank, of which he is vice president. D. D. Bramwell and his brother, W. K. Bramwell, established the First National Bank in 1933. Currently the bank has over \$9 million in assets.

**HUBBARD:** Donald W. Heineking, president, Security State Bank, announces that open house will be held on Friday, September 13, from 1:00 p.m. to 8:00 p.m. for

inspection of the bank's recently completed remodeling and expansion project. Bankers are invited to inspect the new quarters at that time.

**KEOKUK:** C. Plin Mears has announced that the Mears family has purchased the State Capitol Bank in Oklahoma City, Okla. Marc Mears, now assistant trust officer at the State Central Savings Bank in Keokuk, will move to Oklahoma City soon. C. Plin Mears will continue to live in Keokuk, but spend some time in Oklahoma City. The family also bought the State Capitol Bank Building Corporation and will develop a multi-story high-rise office and apartment tower adjoining the bank. The bank, founded in 1962, has over \$13 million in deposits.

**MAQUOKETA:** The ninth annual Eastern Iowa Farm Institute sponsored by the Jackson State Bank and Trust Company has been scheduled for Monday, September 9. The program will include talks by farm experts. This year's theme will be farm bargaining power.

**ORAN:** Richard G. Lockwood, cashier and manager of the Oran Savings Bank, was found dead at the bank August 15. The Fayette County medical examiner ruled the death a suicide. Mr. Lockwood was 43. The bank is owned by Earl John Lockwood, father of the deceased man.

**WATERLOO:** First National Bank of Evansdale has received preliminary approval from the Comptroller of the Currency to open a second banking facility in the new Crossroads Shopping Center in Waterloo.

**NEBRASKA NEWS**

**FORT CALHOUN:** Application has been filed for a state banking charter for the Fort Calhoun Bank at Fort Calhoun, Washington County. Organizers of the new bank include Fred Arkoosh, president of Wilkinson Manufacturing Co.; Carl A. Brady, president of the Douglas County Bank, Omaha; Daryl Hamann, Omaha attorney; Jack H. Harvey, executive vice president of the Douglas County Bank. The charter application



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Survey on the Subject:

NEW APPROACHES TO CORRESPONDENT BANKING

To determine current needs of correspondent banks in the NORTHWESTERN BANKER area, we plan to publish an exclusive survey in the October issue on the above topic. We will appreciate it if one executive in each bank will complete this questionnaire and return it to us. Thanks very much for your cooperation. (Please use reverse side for additional comment.)

1. What is the MOST important service your city correspondent now renders you? Please comment:

2. Name one or more ways in which you think your city correspondent can serve you better in 1969. Please comment:

NORTHWESTERN BANKER

306 Fifteenth Street Des Moines, Iowa 50309

subject:

NEW APPROACHES TO CORRESPONDENT BANKING

3. List one or more NEW services provided by your city correspondent which which you have found valuable to your bank. (These might include computer services, operations studies, help with pension or profit-sharing plans, acquisition of new industry, advertising assistance, tax advice, trust services, advice on remodeling, correspondent conferences, etc.) Please explain:

What is the MOST important service your city correspondent can render you better in 1969? Please comment:

Name & Title \_\_\_\_\_ Bank \_\_\_\_\_

Total Deposits \$ \_\_\_\_\_ City & State \_\_\_\_\_

(Supplement to September 2, 1968, issue of NORTHWESTERN BANKER)

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named Mr. Brady as president, Mr. Hamann as vice president and Mr. Harvey as cashier of the proposed bank. Hearing on the application is set for November 7.

**HUMPHREY:** Services were held August 27 for Patrick L. Kelly, former president of the Farmers State Bank of Humphrey. Mr. Kelly retired from the bank two years ago after 51 years as president. He was 80 years old.

**NEWMAN GROVE:** The First National Bank has completed its extensive remodeling. The remodeling was undertaken to provide more office space and private conference rooms for the lending department, according to H. L. Gerhart, Sr., president of the bank.

**OMAHA:** The 1968 FBI Law Enforcement Conferences for Nebraska have been set, according to Paul C. Young, special agent in charge. The first is scheduled for September 17 and will be held at the First National Bank in North Platte. The second is scheduled for September 19 at the State Historical Society auditorium in Lincoln. Both conferences begin at 1 p.m. The agenda for each conference includes; (1) What law enforcement and banking-type institutions can do to deter or prevent bank robbery and bank burglary; (2) what action should be taken immediately after a bank robbery or burglary, and (3) the Bank Protection Act of 1968.

## MINNESOTA NEWS

**BUHL:** James P. Kayfes has been elected executive vice president of the First National Bank of Buhl; he was formerly cashier. Edward H. Roberts was advanced from assistant cashier to cashier to succeed him. Gerald E. Samsa, who joined the bank earlier this year to coordinate the computerized banking program, was named assistant cashier.

**CHATFIELD:** Ronald Kittel has joined the Root River State Bank as assistant cashier. The past seven years he has managed the Marshfield, Wis., office of Wisconsin Finance Co.

**MANKATO:** Mrs. Lorraine Miller has been elected assistant cashier of the Northwestern National Bank. Mrs. Miller has been with the bank for 15 years.

**MINNEAPOLIS:** The Marquette National Bank has been appointed a licensed agent for BankAmericard in Minnesota, South Dakota and North Dakota.

**ROCHESTER:** W. Wayne Ellison has been advanced from auditor to assistant vice president of the Rochester State Bank. Mr. Ellison has been with the bank since 1965.

**ROCHESTER:** Dale Hill has been named assistant vice president at the Northwestern National Bank. Mr. Hill, who joined the bank in 1964, is in accounting and opera-

tions. Don Trandem has been elected auditor of the bank.

**ST. PAUL:** Truman W. Porter has been named assistant vice president of the Gambles Continental Bank of St. Paul. Mr. Porter, who has been an investment officer with the American National Bank of St. Paul, will be in charge of commercial lending and business development for the bank.

**ST. PAUL:** The Highland Park State Bank will hold a series of open houses beginning Thursday, September 5 in its new building.

**WAYZATA:** Mrs. Henry S. Kingman, 71, died last week. Her husband, Henry, is honorary chairman of the Farmers and Mechanics Savings Bank of Minneapolis.

## NORTH DAKOTA NEWS

**JAMESTOWN:** Peter J. Schirber, retired president of the First James River National Bank, died August 19 after a long illness. Mr. Schirber, who was 70, began his banking career as a bookkeeper with the State Bank of Artas, S. D., and came to the Jamestown bank as president in 1942. He continued in that capacity until his retirement in 1963.

**LARIMORE:** Curtis F. Cornelius has been elected president of the Elk Valley State Bank in Larimore, to succeed retiring President C. H. Erbele. Mr. Cornelius is a past president of the Northern Minnesota

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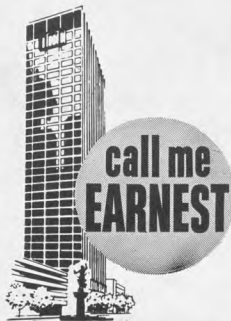
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Bankers Association and of the Red River Valley BAI Chapter. Mr. Erbele joined the Elk Valley State Bank in 1948.

### MONTANA NEWS

HELENA: N. Burton Felder, vice president at the First National Bank & Trust Company of Helena, died August 23.

### WYOMING NEWS

CHEYENNE: Application of the new First Cheyenne State Bank for Federal Deposit Insurance has been approved. The FDIC also approved establishment of a drive-in facility detached from the main bank.

### COLORADO NEWS

DENVER: Loren E. Doty, president and chairman of the Center State Bank, died last week in a Denver hospital. He was 45 years old. Mr. Doty began his banking career with the Citizens Savings Bank in 1947, and also served with the First National before founding the Center

State Bank in 1961. He was former chairman of the board of Preferred Industrial Bank Inc., and past president of the Installment Bankers Association.

### ILLINOIS NEWS

ARLINGTON HEIGHTS: The FDIC has approved Northwest Trust & Savings Bank's application for federal deposit insurance. The new bank is capitalized at \$1 million.

PEORIA: Frederick F. Ferguson, formerly with St. Louis County National Bank, Clayton, Mo., has joined the Jefferson Trust & Savings Bank as assistant trust officer. He will head the internal administration of the bank's trust operations.

SKOKIE: The Skokie Trust & Savings Bank has received approval to establish a banking facility at 4356 Oakton Street in Skokie.

WILLIAMSVILLE: The FDIC recently gave its approval to Williamsville State Bank to exercise limited trust powers.

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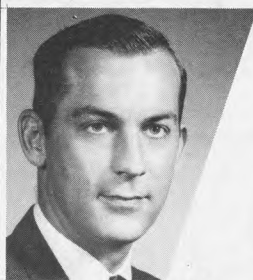
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