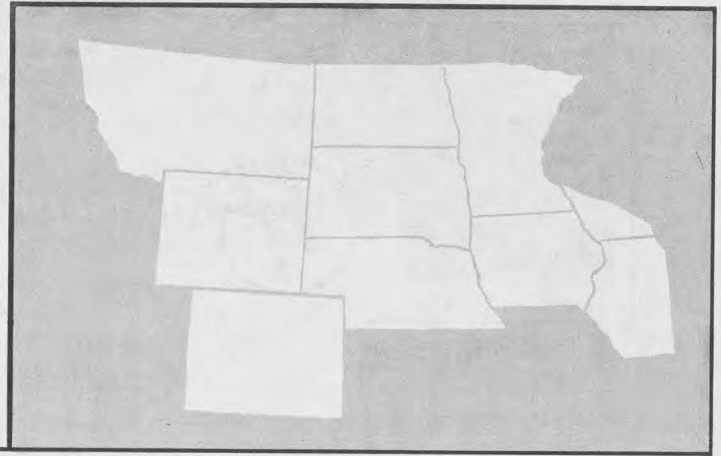


NORTHWESTERN Banker

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March 3, 1969

Patman Bill May Rule Individual Owners

Will individuals who own more than 25% of a bank—and sometimes less—be subject to the Bank Holding Company Act of 1956?

Some authorities feel that the “one-bank” holding company bill introduced by House Banking Committee Chairman Wright Patman (D., Texas) would apply to individuals as well as companies which own or control one bank.

Bankers planning to attend the annual convention of the Independent Bankers Association in Las Vegas, March 17–19, may wish to ask Mr. Patman about this, since he will be appearing on the program there.

The interpretation arises from a definition which the Patman bill (H. R. 6778) would add to the Bank Holding Company Act. That definition states that “the term ‘person’ includes natural persons, companies, and all other entities cognizable as legal personalities.”

The problem with this interpretation is that the Patman bill would leave almost intact the present law’s interpretation of a “company” as any “corpo-

ration, or similar organization, or any other trust unless by its terms it must terminate within 25 years or not later than 21 years and 10 months after the death of individuals living on the effective date of the trust...”

However, those who suspect a broader application point out that the Patman bill defines a “person” as both a “natural person” and a “company.” Therefore, they believe the intent of the bill is to reach individual bank holdings as well as holding of more formal entities such as holding companies.

The possibility that the Patman bill is intended to reach individuals as well as companies owning banks is not out of the question. As Chairman of the House Small Business Committee, Patman signed a report in 1967 calling for “individuals and partnerships” to be brought under the Bank Holding Company Act.

Another little noticed provision of the Patman bill would give the Federal Reserve Board final authority over all mergers

involving subsidiaries of bank holding companies. At the present time, merger jurisdiction of subsidiaries of holding companies is divided among the agencies depending on whether the surviving bank is a national, state member, or non-member state insured bank.

NATIONAL NEWS

JEFFERSON CITY, MO.: A bill increasing from 1,000 yards to 3,500 yards the distance a bank facility can be located away from its home office has been introduced into the Missouri Legislature. The bill also would permit these facilities to accept loan payments, formerly prohibited by state law.

WASHINGTON, D.C.: Hamer H. Budge, former Idaho congressman, has been named chairman of the Securities and Exchange Commission, replacing Manuel F. Cohen, who has resigned. Mr. Budge has been a member of the commission since 1964.

WYOMING NEWS

CHEYENNE: The Wyoming Senate, by a vote of 18 to 9, has killed the Uniform Consumer Credit Code.



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IOWA NEWS

CLINTON: Application of the Clinton National Bank to establish a facility at 1442-1446 Lincolnway has been approved by the Administrator of National Banks.

DES MOINES: The Iowa House of Representatives passed the recodification bill without dissent on Thursday, February 27. The bill now goes to the Senate and it appears that action will be taken after recess.

The 9% interest bill has been reported out of committee in both the Senate and the House.

HILLS: Elmer J. Draker has been promoted from assistant cashier to cashier at the Hills Bank and Trust Company.

HOSPERS: A. L. Jurriaans, formerly vice president and cashier, has been elected president of the Hospers Savings Bank, succeeding C. F. Sheel, who is retiring after 50 years service. Mr. Sheel

has been named chairman of the board. Wayne A. Delperdang has been named vice president; A. A. Jungers, cashier; Harold Van Wetering, assistant cashier.

NEBRASKA NEWS

LINCOLN: The Nebraska legislature's banking committee voted 5-2 on February 24 to kill LB 47 permitting statewide branch banking. Two other branching bills await committee action. They are LB 45, permitting citywide branching, and LB 46, authorizing limited branching by counties and contiguous areas.

LINCOLN: The Comptroller of the Currency has approved the application of National Bank of Commerce to form a one-bank holding company. It will be known as the NBC Company.

MINNESOTA NEWS

GLENVILLE: B. A. Miller, president and cashier of Citizens State Bank, has sold his controlling



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interest to Fred L. Friedrichsen and Charles E. Hagen, both of whom were officers in the real estate loan department of The Omaha National Bank, Omaha. Mr. Friedrichsen has been elected president and Mr. Hagen cashier of Citizens State, and both men and their wives are now on the bank board. Mr. and Mrs. Miller have resigned from the board. Their son, Jack Miller, will continue as assistant cashier. The sale was negotiated by Bankers Service Corporation, Des Moines.

HUTCHINSON: An amendment has been authorized by the State Department of Commerce changing the name of the Citizens Bank here to the Citizens Bank and Trust Company.

MINNEAPOLIS: Douglas V. Kallstrom has been promoted from cashier to assistant vice president at the First Minnehaha National Bank. Luther N. Magelssen has been promoted from assistant cashier to cashier, and Mrs. Kathryn M. Peterson has been elected assistant cashier and women's representative.

NEW ULM: Application of the State Bank to establish a trust department and to exercise full trust powers has been approved by the State Department of Commerce and the FDIC.

ROLLINGSTONE: Majority interest in the First State Bank has been sold to E. L. King, Jr., chairman of the board of the Winona National and Savings Bank. No changes in bank management are anticipated. Paul Kronebusch, Reinhard Kohner, Francis Kreidermacher and Hannibal Litcher will continue to serve as directors and to hold a minority interest in the bank.

ST. PAUL: Robert F. Van Hoef, executive director of the St. Paul Metropolitan Improvement Committee, has been named a vice president of the First National



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Bank. He will join the bank April 15. Steven J. Johnson, administrative assistant in a loaning division of the bank, has been elected a commercial loan officer.

WHITE BEAR LAKE: An application has been filed with the State Department of Commerce for a proposed new bank, White Bear Lake State Bank, to be located in the White Bear Lake Shopping Center. Incorporators named in the application are: David B. Trach, St. Louis Park, and Stanley B. Korengold, Minneapolis. Proposed capital is \$400,000, consisting of \$200,000 common capital, \$100,000 surplus and \$100,000 undivided profits. No date has been set for hearing on the application.

ILLINOIS NEWS

HOFFMAN ESTATES: Application for federal deposit insurance has been approved by the FDIC for the Suburban Bank of Hoffman Estates. Gerald F. Fitzgerald is bank president.

MOUNT PROSPECT: Stanley C. Amren has been elected chairman of the board of the First National Bank. He has been vice president in charge of manufacturing of the Bruning Division of the Addressograph-Multigraph Corporation, but is leaving this position to become active in the bank.

NORTH DAKOTA NEWS

BISMARCK. The North Dakota Senate has passed, 28-20, a bill to permit de novo branch banking in cities of more than 3,500.

The bill is expected to run into stiff opposition, however, when it reaches the House Business and Industry Committee this week.

As originally introduced, the bill, which has the support of the North Dakota Bankers Association

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and the State Bank Examiner, also would have permitted branching by merger in towns of less than 3,500 and within 90 miles from a bank's home office. This section was killed in committee.

Herbert Thorndal, Jr., State Banking Examiner, who earlier last week expressed confidence the bill would be passed by the Legislature, said recently he had changed his mind, "and now I don't think it will make it.

ENDERLIN: Charles Feeney has been named president of the Citizens State Bank. He has been managing the bank since February, 1968. Frank Farrar, Britton, S.D., has been named vice president. Ronald Bartholomay, Sheldon, has been named manager of the Citizens Insurance Agency.

SOUTH DAKOTA NEWS

CHAMBERLAIN: Henry B. Schelle, Jr., executive vice president of the Tri-County State Bank, has been named president, succeeding L. B. Cronholm, who is now chairman of the board.

MONTANA NEWS

HELENA: A bill to permit statewide branch banking has been voted down in the Montana House by a 2-1 margin. A second bill, to repeal a state statute passed in 1931 which allows banks in the same county or contiguous counties to merge and keep both offices open, was passed on second reading in the Senate, 30-24.

KALISPELL: The Glacier Chapter of the Bank Administration Institute will hold its quarterly meeting at the First National Bank here on

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MISSOULA: Funeral services were held last week for Paul S. Gillespie, former president of the Western Montana National Bank of Missoula, and past president of the Montana Bankers Association.

COLORADO NEWS

DENVER: J. T. Reagan has been promoted to vice president at the Denver U. S. National. William K.



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Soldan has been promoted senior loan counselor to the land officer.

DENVER: Robert R. Kampman, assistant auditor of the Colorado National Bank, has been promoted to auditor, succeeding Malcolm J. Erickson, who has been named vice president and cashier of the

new Lakewood Colorado National. William J. Fleming has been promoted to assistant vice president in the correspondent bank department.

DENVER: Lee C. Ashley, senior vice president and cashier of the First National of Denver, has been named chairman of the board of the First National Bank of Bear Valley.

ENGLEWOOD: The Colorado Bank Board has rejected a charter for the proposed Citizens State Bank of Englewood, which would have been located near S. Broadway and E. Lehigh Avenue.

NORTH GLENN: Carrol L. Stubbs, senior vice president of the First National Bank of Denver, has been named chairman of the board of the First National Bank of North Glenn.

between 8:00 A.M. and 3:00 P.M. or write Box 400, Fullerton, Nebraska 68638.

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