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New Bank Bill Restricts Multi-Ownership

One of the most restrictive banking bills to be filed in any state legislature in modern times has been filed by Repr. Harold Fischer of Grundy County in the Iowa House.

Labeled as House File 148, the bill relates to control of banks by amending certain paragraphs of Sections 523 and 524 of the Iowa Code.

The bill will prevent control of more than one bank in the State of Iowa by any one individual or bank holding company. The bill prohibits any individual or company from simultaneously owning 15 percent or more of the voting stock, or controlling the election of a majority of the boards of directors of two or more banks in Iowa. Any individual or company which on July 1 holds a greater degree of control over two or more banks than is permitted by the bill is given three years with the possibility of up to three two-year extensions, to comply with the bill's limitations. Extensions of the deadline may be granted only to allow an individual or company to avoid substantial financial loss. The bill will apply with equal force to state and national banks. Penalties for violations range from fines of \$500

to \$5,000 per day for each day during which a violation continues. Other penalties include fines up to \$10,000 and imprisonment of up to one year in jail for failure to comply with various sections of the Act.

The Iowa Bankers Association has taken no position on proposals to limit, restrict or outlaw holding companies in Iowa. With the bill outlawing ownership even by an individual of 15 percent or more of a second Iowa bank, the IBA estimates that the Act would affect as many as 225 Iowa banks.

A similar bill was expected to be filed in the Senate by Senator John L. Mowry of Marshall County, chairman of the Senate Commerce Committee. Repr. Fischer is chairman of the House Commerce Committee.

Repr. Fischer is an insurance agent from Wellsburg, Iowa. He is a member of the National Association of Insurance Agents, a group that fought a losing battle to restrict banks' insurance activities.

Repr. Fischer told the *Northwestern Banker* that his bill is patterned after the Illinois Bank Holding Company Bill. He sees an attempt being made by some

holding companies and individuals to milk smaller banks capitalization through management fees. He is also concerned about eliminating competition.

In February, 1970—a year ago, Horace Hansen, attorney in St. Paul for the Independent Bankers Association, drew up a "Model Bank Holding Company Act for States" at the request of several independent bankers in Iowa. Up to the time Repr. Fischer filed HF 148 he had not seen the model bill—and key officers of the independent bankers in Iowa had had no contact with him. Mr. Fischer asked the Legislative Research Bureau to prepare his bill with no pressure or even so much as a request from officers of the Independent Bankers Association in Iowa. A number of members of the Independent Bankers Association will be affected by HF 148 under the 15 percent stock restriction.

Another bill filed independently in the Iowa House concerns bank offices. Repr. Nathan Sorg of Linn County has introduced H.F. 100 which would permit an existing bank office (not a parking lot office) to remain in operation in its location even though one bank (but not two) is chartered for operation in the same municipality. This bill is officially

(Continued on Page 4)

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IOWA NEWS

AKRON: Lyle F. Jacobs was elected to serve as chairman and president of the First National Bank of Akron recently. He succeeds Henning Shoulberg who was named honorary chairman of the board. Mr. Jacobs was formerly an executive vice president.

ARNOLDS PARK: The Comptroller has disapproved an application for a national bank filed by E. W. Maser. Mr. Maser continues to operate an office here through the First National Bank, Sibley. A hearing on an application for a state charter, filed by Jim Harrison and Dewey Grant of Spencer, will be held March 1. The bank would be called Okoboji Marine State Bank.

BLOOMFIELD: Marvin Logan was elected president and trust officer of the Davis County Savings Bank recently. He succeeds Mrs. Hazelle Garrett who had served as president since the death of her husband in August 1970. The new president joined the bank in June 1960 after graduation from Drake University. He has served as cashier since 1961 and as trust officer since 1965. Gary Casady was elected vice president and Mrs. Marne Bond was promoted to assistant vice president.

BOONE: H. D. Shellenberger, Jr. was recently elected executive vice

president of The Citizens National Bank according to a recent announcement by E. E. Wiemer, president. He was formerly a vice president.

BURLINGTON: Vincent P. Cullen, president of First National for 14 years, has been elected chairman, succeeding John H. Witte, Jr., 85, who retired because of health and has been named honorary chairman. Dale Kelley has been advanced to president from executive vice president, a post he has held since 1957. John F. O'Neill was promoted to executive vice president and remains trust officer. Frances Flynn and Paul A. Abel were named vice presidents.

COUNCIL BLUFFS: Mrs. Lewis W. Ross and Robert Lindquist were married here recently. Mrs. Ross is the widow of the late Lewis W. Ross, former chairman of the Council Bluffs Savings Bank. Mr. Lindquist is a former vice president of the Harris Trust & Savings Bank, Chicago. The couple will reside in Green Valley, Ariz. from now until May 1.

DES MOINES: John R. Fitzgibbon, president of the Iowa-Des Moines National Bank, announced Feb. 4 the formation of a new department encompassing all services for correspondent banks called the Correspondent Bank Services Department. He named Dale R. Luckow, vice president, as head of this operation.

"To better serve the banks in Iowa," Mr. Fitzgibbon said, "this reorganization will bring together all correspondent services in one department. These include loan participations, computer programs, Master Charge, bank operations, Fed Funds and others."

Mr. Luckow joined the bank's correspondent department in June of 1965 and set up the computer sales department in 1967.

Mr. Fitzgibbon also announced an increase in the bank's surplus from \$8,000,000 to \$11,000,000. Capital and surplus now total \$15,000,000, providing a new legal lending limit of \$1,500,000.

KEOKUK: Fred R. O'Brien has been elected vice president and director of the State Central Savings Bank according to an announcement by W. A. Logan, chairman of the board. He was formerly president of the Community Bank, Galesburg, Ill.

OSCEOLA: Keith W. Richard was elected president of the Clark County State Bank replacing J. Waid Lentz who retired. Earl Curtis was elected executive vice president of the bank. Mr. Richard was formerly an executive vice president.

NEBRASKA NEWS

CLARKS: L. Clark Caley was advanced to president of the Bank of Clarks to fill the vacancy of H. M. Burruss, who died recently. Mr. Burruss had been president since 1952. Mr. Caley was formerly vice president and cashier.

OMAHA: Former Nebraska Gov. Norbert Tiemann has recently joined First Mid America, Inc., a Nebraska investment banking company according to a recent announcement by M. J. Warren, chairman of the board and Dale C. Tinstman, president. He is serving in the corporate finance division.

WYOMING NEWS

CODY: George Tschacher was named vice president of the Shoshone First National Bank according to a recent announcement by R. Sam Allen, president. Mr. Tschacher joined the bank in 1969 and has been the head of the installment loan department.

SARATOGA: Sale of the Saratoga State Bank to Charles Fisher of



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Frisco, Colo. was announced recently by the directors of the institution. Major stockholder in the bank was John E. McNellis, president. Others who sold their shares were L. D. Donelan, Dr. Roy E. Wilson, Robert Taylor, Mrs. Aubrey Huston, Harold Willford, Mrs. B. F. Peck and Orel Tikkaner.

NORTH DAKOTA NEWS

BISMARCK: The North Dakota Bankers Association, in a policy reversal, has agreed to drop plans introducing legislation to liberalize branching laws which would have permitted branching by merger up to 90 miles from a bank's home office. Instead, the association will launch a two-year study of the branching issue and banking structure in time for the 1973 session of the North Dakota legislature.

MINNESOTA NEWS

BEMIDJI: Les Hoganson has been recently elected to the presidency of the First National Bank of Bemidji. He was formerly a vice president.

BENSON: Funeral services were held last week for Mrs. Olaf Gandrud, mother of Paul W. Gandrud, president, Swift Co. State Bank.

HASTINGS: James P. Kayfes has purchased majority interest in the First National from Mr. and Mrs. E. L. Peters and other stockholders. Mr. Kayfes has been elected president to succeed Mr. Peters, who is now chairman. Elected vice presidents were Mason Much, Jr., senior loan officer, and Roger Haugen, trust officer. Patricia J. Doffing was advanced to assistant vice president and succeeding her as cashier is L. N. Conzemius, formerly assistant cashier.

MINNEAPOLIS: Hugh D. Galusha, Jr., 51, president of the Ninth Federal Reserve District in Minneapolis died after a floundering snowmobile trip into the snowbound Beartooth Mountains near Yellowstone National Park. Mr. Galusha was aboard one of 16 snowmobiles in a group reported missing on a 45-mile excursion. He and two others dug a cave in the heavy snow to ride out a storm and Mr. Galusha was found dead the next morning.

MORRIS: Funeral services were held last week for C. H. Freeman, president, Morris State Bank.

MURDOCK: First State Bank advanced Donald Collins to cashier.

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SOUTH DAKOTA NEWS

CANTON: It was recently announced that the State Banking Commission had granted a bank charter to the Valley State Bank of Canton. Erling Haugo of Sioux Falls is president of the Valley Bank. He indicated that no definite date had been set for the opening of the new bank but that plans are now being made.

CHAMBERLAIN: Funeral services were held recently for Cameron A. Rinegar, who died at the age of 70. Mr. Rinegar was manager of the Tri-County Bank, Chamberlain; recently managed the Tri-County Bank, Pukwana and former manager of the Weiss Lumber Company.

HIGHMORE: Directors of the First State Bank have elected Leland U. Straight as president and director of the bank. He replaces John A. Hardesty who has retired. Donald G. Matre, formerly assistant vice president, succeeds Mr. Straight as vice president and cashier.

MOBRIDGE: J. P. (Jack) Bzoski has resigned as president and director of the Citizens Bank of Mobridge and has been succeeded by J. D. (Dale) Leshner, formerly vice president, who is just completing his 41st year with the bank. Kenneth R. Zandstra, cashier, was also elected vice president.

WATERTOWN: R. H. Walrath, president of the First National Bank, Watertown, announced the promotion of Ronald T. Peterka and Jerald L. Ihnen to the position of assistant cashier. Jerry A. Miller, vice president and trust officer, was also named to the bank discount committee.

ILLINOIS NEWS

CHICAGO: The 23rd Annual Installation Lending Conference, sponsored by the Installation Lending Division of the Illinois Bankers Association, will be held Feb. 17-18, 1971, at the Palmer House, Chicago.

LA SALLE: An open house and reception for new banking quarters of LaSalle State Bank, LaSalle, is scheduled for Feb. 11.

COLORADO NEWS

BOULDER: The United Bank of Boulder recently announced the election of George F. Menklick, president of Granville-Phillips Co. in Boulder, to the bank's board. The bank also announced the appointment of John E. Rogers as vice president and cashier and the promotion of H. K. Richardson to trust officer.

CASTLE ROCK: P. S. Miller, pres-



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ident of the Bank of Douglas County in Castle Rock announced the promotion of R. G. Oliver to vice president; Elizabeth Corey to assistant cashier and Dona Sherlock to assistant cashier.

DENVER: The promotion of two officers to vice presidencies has been announced by the Union National Bank in Denver. William H. Bahls, a former assistant vice president, is in charge of the bank's installment loan department, and John R. Dickinson, also a former assistant vice president, is manager of the bank's Speer Boulevard facility.

DENVER: Mads Anderson has been named president of the North Denver Bank and will continue as director. Mr. Anderson became associated with the bank as vice president and director in 1970. He was formerly president of the First National Bank in Rifle.

LAKEWOOD: The United Bank of Lakewood, an affiliate of United Banks of Colorado, Inc., announced the promotion of James L. Stewart to vice president. Mr. Stewart, formerly an assistant vice president, joined the Lakewood bank in 1968.

MONTBELLO: The First National Bancorporation, Inc., Denver bank holding company, recently filed an application to organize a national bank in Montbello. Organizers of the proposed bank are Bruce D. Alexander, president of the First National Bancorporation; Phillip J. Hogue, vice president of the holding company; Eugene H. Adams, president of the First National Bank of Denver, and Ralph Adams and John Falkenberg, vice presidents of the bank.

The bank, to be located in the Montbello office complex, would be capitalized at \$575,000. Officials said 25,000 shares of capital common \$10 par value stock would be issued at \$23 per share. If the initial application is approved, organizers would request final approval from the Federal Reserve System.

NEW BANK BILL ...

(Continued from Page 1)

supported by the Iowa Bankers Association. Independent bankers in Iowa have not stated their position.

WANT ADS

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