

Fed Sets Rule For 4(c)(5) Acquisitions

In a final regulation it has adopted to take effect July 1, 1971, the Federal Reserve Board has eased off from the proposal it made earlier this year to place limitations on acquisitions under Section 4(c)(5) of the Bank Holding Company Act as amended in 1970. The Board said it would limit acquisitions by holding companies and their subsidiaries that are not banks or subsidiaries of banks to shares which national banks by statute law may invest in.

The statement released by the Federal Reserve Board says:

"In January the Board indicated that it was considering limiting the permissible activities of all subsidiaries established in the future under Sect. 4(c)(5) to those engaged in lending and fiduciary activities commenced de novo, except where the shares involved are of the kinds and amounts explicitly eligible for investment by a national bank under Federal statute law.

"The Board has reexamined this matter in the light of comments received and concluded as follows:

"(1) The Board should not at this time apply restrictions to

subsidiaries of banks. This decision is believed warranted by considerations of equity between banks that are and are not members of bank holding companies and by the absence of evidence that acquisitions by holding company banks are resulting in evasions of the purposes of the Act. The merits of this decision will be reviewed by the Board from time to time in the light of its experience in administering the Act.

(2) The Board should limit the acquisitions that may be made on the basis of Sect. 4(c)(5) by holding companies and their subsidiaries that are not banks or subsidiaries of banks to shares of the kinds and amounts explicitly eligible for investment by a national bank under Federal statute law. This decision will facilitate the orderly administration of the Act by avoiding to the extent possible the need for interpretations of the scope of Sect. 4(c)(5) relating to permissible activities, permissible locations, and applicable limitations as to borrowing and lending powers.

"To implement these decisions, the Board has adopted the following amendment to Sect.

222.4 of its Regulation Y: Sect. 222.4 Nonbanking activities.

"(e) Activities of companies in which national banks may invest. No bank holding company or subsidiary thereof that is not a bank or subsidiary of a bank may, after June 30, 1971, acquire shares on the basis of Sect. 4(c)(5) of the Act unless such shares are of the kinds and amounts explicitly eligible by Federal statute for investment by a national bank. A national bank or a subsidiary thereof may acquire or retain shares on the basis of Sect. 4(c)(5) in accordance with the rules and regulations of the Comptroller of the Currency. So far as Federal law is concerned, a State-chartered bank or a subsidiary thereof may (1) acquire or retain shares on the basis of Sect. 4(c)(5) if such shares are of the kinds and amounts explicitly eligible by Federal statute for investment by a national bank and (2) acquire or retain all (but, except for directors' qualifying shares, not less than all) of the shares of a company that engages solely in activities in which the parent bank may engage, at locations at which the bank may engage in

(Continued on back page)

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IOWA NEWS

Two men have announced their candidacy for offices in the Iowa Bankers Association. John Chrystal, president of the Iowa Savings Bank at Coon Rapids, is a candidate for the office of vice president. H. Clark Houghton, president of the First National Bank of Iowa City, is a candidate for the office of treasurer. The election will take place at the 85th annual convention of the IBA in Des Moines this fall. Mr. Chrystal is the former superintendent of banking in Iowa. If elected, he would succeed to the IBA presidency at the 1972 convention.

CHARITON: Maurice Nickel, executive vice president of the National Bank & Trust Company, died last Monday afternoon, May 24.

DENVER: The Denver Savings Bank has received authority from the FDIC to exercise limited trust powers.

DES MOINES: Clarence E. Sullivan, Jr., has resigned as a vice president at Iowa-Des Moines National Bank to become vice president-mortgage loans at the First National Bank of Albuquerque, N. M.

IOWA FALLS: John Pothoven, a vocational agriculture teacher from Oskaloosa, has been appointed to head a new farm department at the Iowa Falls State Bank, effective July 1.

MAQUOKETA: Jerry Maples has been advanced from vice president and trust officer to executive vice president and trust officer at Jackson State Bank & Trust Company. He succeeds L. S. Lein, who now is vice chairman and secretary of the board. In other promotions Bill Hertenzen was elected farm loan officer, and Mrs. Goen Bodenhofer, Mrs. Joe McCarthy and Mrs. Roger Flenker were named assistant cashiers.

REINBECK: The Lincoln Savings Bank will close on Saturdays, effective June 5, and will remain open on Fridays until 7 p.m.

SIOUX CITY: Directors of Security National Bank recently approved the transfer of \$390,000 from undivided profits to surplus, making surplus now total \$2,930,000. Total capital accounts are \$5 million.

SIOUX CITY: The Toy National Bank is opening a Data Processing Service Center in Spencer, utilizing an IBM System 3. The bank will host a meeting June 4 for approximately 75 bankers to introduce the system.

NEBRASKA NEWS

BEATRICE: The appointment of two new officers to the staff of Beatrice National Bank & Trust Company has been announced by Bill Cook, Jr. Allen Schierling has joined the bank as assistant vice president and trust officer, with duties in com-

mercial loans and trusts. He has been with First National Bank in Olathe, Kans., the past four years, and prior to that was with the national bank examining staff in Des Moines. Steven Latham has joined the staff as assistant cashier, working as a commercial loan officer and in credit review. He has moved to Beatrice from Kansas City where he was in the credit review division of Commerce Bank.

CODY: The Bank of Cody has been sold by Mr. and Mrs. Cliff Watts, who have owned the bank since the death of Mrs. Watts' father, Harry Severns, several years ago. The purchasers are H. Dan Huff, president of Security State Bank at Oxford; Dale Stine, president, North Loup Valley Bank at North Loup, and K. W. Peterson, who continues as executive vice president of Bank of Cody. Mr. Huff succeeds Mrs. Watts as president and Mr. Stine was elected a director.

OMAHA: Ray Stanley, president, Center Bank, announces the election of Doris J. Capps as director of advertising and customer relations. She has been with the bank four and one-half years as customer service representative. Prior to that she worked seven years for National Bank of Des Moines in Des Moines.

OMAHA: Joseph Hallas has been advanced from executive vice president to president of Mid City Bank. He succeeds Louis A. Dillman, who has retired to pursue personal interests.

MINNESOTA NEWS

EDINA: Harlie J. Privette has been named vice president in charge of the loan division at the Edina State Bank. He has over 12 years in the financial and banking field and most recently was an officer in the loan department of the Columbia Heights State Bank, Minneapolis.



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MARSHALL: Don Hamilton has been promoted from assistant cashier to assistant vice president at the Western State Bank. He was associated with a South St. Paul bank for five years before coming to Marshall last year.

MINNEAPOLIS: Roger Cook, formerly assistant cashier at a bank in Jamestown, N.D., has been named an assistant vice president at First Plymouth National Bank.

MINNEAPOLIS: Eugene W. Krekelberg has been promoted from assistant cashier to cashier at First Minnehaha National Bank.

McGREGOR: D. R. Nelson has purchased controlling interest in the State Bank of McGregor from Charles Peterson, president. Duffy Nelson will move from Hallock, where he has been vice president, Northwestern State Bank, to become president of the McGregor bank. Ed Parsons, vice president, has resigned from State Bank of McGregor to become an officer and stockholder in a bank at Del Norte, Colo.

MINNEAPOLIS: Gerald Rauenhorst, president of Rauenhorst Corporation, and William A. Hodder, president of Target Stores, Inc., have been elected directors of Northwest Bancorporation.

PINE ISLAND: Carl L. Lokker, Jr., has been named vice president at the Security State Bank, with duties in loans and bank operations. He has been cashier of three banks in the last 15 years, the most recent one the First National Bank, Le Center.

ST. PAUL: Max Zamansky, president of Capp Homes and executive vice president of Evans Products, Portland, Oregon, has been elected a director of Northwestern National Bank.

ST. PAUL: A bill to set the limit on interest on revolving charge accounts at 12 per cent has passed both houses of the Minnesota Legislature and at press time was awaiting the governor's signature.

named cashier at the First National Bank. He joined the bank in 1963 and was elected auditor in 1967 and assistant cashier in 1969.

ILLINOIS NEWS

CHICAGO: The Illinois Bankers Association's 80th convention will be held June 2-4 at the Palmer House.

NORTHBROOK: James E. Sheridan has been elected vice president at First National Bank.

PEORIA: Lester A. Kassing has been elected president of Jefferson Trust & Savings Bank. He is moving from Fort Wayne, Ind., where he has been executive president and director of Indiana Bank & Trust Company. He succeeds Steven R. Koch, who previously announced plans to join First Federal S&L of Peoria.

SPRINGFIELD: H. Robert Bartell, Jr., has been appointed Illinois Commissioner of Banks and Trust Companies by Gov. Richard V. Ogilvie. Mr. Bartell, 36, succeeds Roland W. Blaha, who will retire July 1. The new commissioner is professor of finance and business economics at Washington University in St. Louis and formerly was at Northwestern University and served on Gov. Ogilvie's transition task force in 1969.

WISCONSIN NEWS

BRISTOL: The First National Bank of Kenosha has received approval from the Comptroller of the Currency to open a branch at SW corner of State Highway 50 and U. S. Highway 50 and U. S. Highway 45, Bristol; Kenosha County.

BROOKFIELD: The Comptroller of the Currency has issued a certificate authorizing the Brookfield National Bank to change its name to First Wisconsin National Bank of Brookfield. This was effective May 1.

GREEN BAY: United Bankshares,

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Inc., has made application to the Federal Reserve System to form a bank holding company and seeks prior approval to acquire at least 80 per cent of the voting shares of West Bank and Trust, Green Bay.

PIGEON FALLS: The Pigeon Falls State Bank has received FDIC approval to move its main office from Main Street to the east side of Ekern Street, about 195 feet south of the intersection of State Highway 121, within Pigeon Falls.

WAUSAU: The First National Bank of Wausau has been authorized by the Comptroller to change its name to First Wisconsin National Bank of Wausau.

SOUTH DAKOTA NEWS

CORSICA: Donald C. Clauson has been advanced from assistant cashier and ag representative to assistant vice president at the branch office here of the National Bank of South Dakota.

RAPID CITY: John T. Vucurevich has been named Outstanding South Dakotan for 1971 by the School of Business at the University of South Dakota. This award for distinguished service to the state was announced by Dr. Dale E. Clement, dean of the School of business.

SIOUX FALLS: Howard J. Branen has been advanced from assistant auditor to auditor at Northwestern



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National Bank, it was announced by C. A. Lovre, president. Mr. Branen's appointment is effective June 1. He succeeds Eldon D. Hasche, who is entering another line of business.

MONTANA NEWS

BOZEMAN: Approval has been received from the Comptroller for conversion of the Gallatin Trust and Savings Bank into Montana National Bank of Bozeman. Edward Towe is president of the bank.

WYOMING NEWS

CHEYENNE: William C. Allen has been elected president and chief executive officer of the Cheyenne National Bank to succeed A. H. Trautwein, who had held those titles since the bank was opened in 1960. Mr. Trautwein has been elected to the new position of chairman of the bank's executive committee. He also continues as chairman of the Wyoming Bancorporation, which owns Cheyenne National, two other banks in Cheyenne, the Stockgrowers Bank of Wheatland, and has just received approval to organize a new bank in Jackson. Mr. Allen has been senior vice president and a director of Cheyenne National.

JACKSON: The Comptroller of the Currency has given approval for a charter for The National Bank of Jackson Hole. The agent listed Paul L. Howes, Jr. The final approval is contingent upon approval by the Federal Reserve Board Governors of the acquisition of the

acquisition of the bank by Wyoming Bancorporation, of which Mr. Howes is president. The resort town of Jackson (pop. 2,100) is served now by the Jackson State Bank, which has deposits in excess of \$15 million.

COLORADO NEWS

BROOMFIELD: The Comptroller of the Currency has disapproved the application by Alex M. Hunter for a national bank charter here.

DENVER: Warren Culpepper and Mark Norwalk have been advanced to vice presidents at Central Bank & Trust Company. Tom Gottschalk was elected an assistant cashier in the installment loan division.

DENVER: First National Bank directors have advanced two officers to vice president. They are Charles B Bringle, assigned to the metropolitan division of the correspondent bank department, and Frederick A. Woll, presently manager of the dealer section of the installment loan division.

LAKEWOOD: Three officials in the operations department of First Westland National Bank have been promoted: Mrs. Marla Miles to assistant auditor, Bruce D. Russell and Fred Sorenson to assistant cashiers.

LONGMONT: The Comptroller of the Currency has approved the application of William P. Johnson for a charter for Westland National Bank.

Fed Sets Rule...

(Continued from Page 1)

the activity, and subject to the same limitations as if the bank were engaging in the activity directly.

"Effective date: July 1, 1971.

"By order of the Board of Governors, May 13, 1971.

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael

(SEAL)

Assistant Secretary"

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