

Data Processing Suit Dropped

The Association of Data Processing Service Organizations and its St. Paul-based service bureau member firm, Data Systems, Inc., recently dropped their suit against the Comptroller of the Currency and the American National Bank and Trust Company, St. Paul, following announcement of the Federal Reserve Board's regulations on June 15 defining the permissible activities for bank holding companies in the field of data processing services. Withdrawal of the suit closes another chapter in the data processing association's five-year old case against Comptroller William B. Camp and the American National.

At the time ADAPSO and Data Systems brought their original suit against the Comptroller and the American National, in 1967, American National was performing or preparing to perform data processing services for the Minnesota State Capitol Credit Union, with whom Data Systems claimed it had contracted to perform such services, and for Carlen Industries, Inc., with whom Data Systems claimed it had been negotiating for the same services. The plaintiffs brought action against American National to seek to have the bank's data processing activities for these two customers declared unlawful, and to have them enjoined, and for damages resulting from the data processing activities.

When Data Systems dropped this portion of the suit "with prejudice" it means it cannot sue the bank again for damage claims in this case. But, in the second part of the suit, ADAPSO sought declaratory and injunctive relief against Comptroller Camp because he had pur-



portedly authorized such data processing activities. They also charged the Comptroller with acting illegally by his ruling under the National Banking Act. ADAPSO dismissed these charges "without prejudice" which gives the data processors the right to bring another suit at any time if they choose. Both the Comptroller and the American National agreed to accept the condition of the firm's withdrawal.

The FRB amendment, effective July 1, adds an eighth activity to the list announced by the Board last month. Under the amendment announced, the following activity is added to that list:

"(1) providing bookkeeping or data processing services for the internal operations of the holding company and its subsidiaries and (2) storing and processing other banking, financial, or related economic data, such as performing payroll, accounts receivable or payable, or billing services."

Under the amendment, bank holding companies will be permitted, subject to Board approval in individual cases, to process banking, financial, or related

economic data for any type of customer.

The original proposal would have permitted a bank holding company to acquire a subsidiary to provide "book-keeping or data processing services for (1) the holding company and its subsidiaries, (2) other financial institutions, or (3) others, provided, that the value of services performed by the company for such persons was not a principal portion of the total value of all such services performed."

IOWA NEWS

Oliver A. Hansen, chairman of the Iowa Bankers Association Livestock Industry Committee and president, Liberty Trust & Savings Bank, Durant, has announced this series of state-wide meetings for area bankers in July:

10th - DeWitt, Chuck Ertzinger;
11th - Avoca, Dick Goos; 12th - Osceola, Don Jones; 13th - Merville, Jim Wilson; 14th - Algona, Oliver Hansen; 15th - Elkader, Bud Willer; 16th - Mt. Pleasant, Oliver Hansen; 17th - Centerville, Jay Blackford.

BALDWIN: C. A. Harding has announced his retirement as cashier of the Baldwin Savings Bank after having been in the banking business for over 50 years. He will maintain his insurance agency at the bank and will continue to serve on the board of directors. Alan Rutenbeck has been promoted to cashier, and Roger Busch has recently joined the bank as assistant cashier. Jack Tabor has been elected to the board of directors.

KALONA: Larry E. Kern has been elected cashier of the Farmers Savings



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Bank. He succeeds A. A. Jackson who retired after completing 50 years in banking. Mrs. Eileen Yotty was appointed assistant cashier

DES MOINES: Representatives of the Federal Reserve Bank of Chicago met with Des Moines bankers June 30 to discuss establishment of a check processing center in Iowa. The president of the FRB of Chicago, Robert P. Mayo, along with First Vice President Ernest T. Baughman, Senior Vice President Harry S. Schultz, and Senior Representative Arthur J. Frigaard, presented plans for establishing a Federal Reserve office in Des Moines to process checks for Iowa banks. The Fed representatives said the plans would insure a continuation of efficiency in the check clearing process, and that Des Moines' central location will help reduce the amount of

circuitous routings of checks in the clearing process. Overall, it was stated, the result will be reduced check clearing time.

The plans for Des Moines are in line with the policy statement regarding the payments mechanism issued by the Board of Governors of the Federal Reserve System on June 18 (see NWB Newsletter of June 28).

FRB of Chicago representatives will meet also with commercial bankers in Sioux City, Cedar Rapids and Dubuque.

GALVA: Several changes have been made in the ownership of the First Trust & Savings Bank. Since the death of Mr. Bischel of Aurelia, the organizer of the bank in 1935, part of his shares have passed to Lloyd E. Lamm of Galva, John W. Van Dyke Jr., of Toy National Bank in Sioux City, and Earl Geiger of

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Minneapolis. Truman L. Peterson was appointed as director to fill the vacancy created by the resignation of Naomi L. Lamm and John W. Van Dyke Jr. of Sioux City was elected to the board of directors to fill the vacancy created by the death of Truman N. Peterson. Clarence Rochau, director, was elected to the position of vice president and Florence Meyer was elected assistant cashier.

WEST DES MOINES: The West Des Moines State Bank will move its main office from 125 Grand Avenue to 1600 22nd Street and establish a parking-lot office at the present main office site according to a recent announcement.

ILLINOIS NEWS

BELLEVILLE: The St. Clair National

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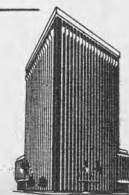
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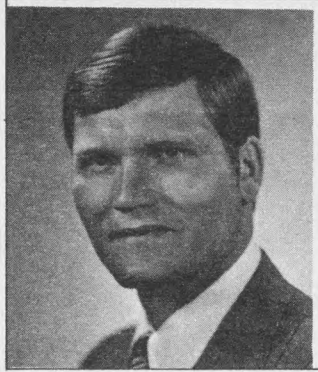
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Bank of Belleville has merged into the First National Bank of Belleville under the charter of the latter and title of First National Bank of Belleville.

CHICAGO: Ward J. Premer, former vice president of Gordon Pred Associates, Cleveland, Ohio, has joined the Lake View Trust and Savings Bank as vice president.

SPRINGFIELD: Roland W. Blaha, Commissioner of Banks and Trusts, has recently announced the issuing of charters for the following Illinois banks: Bank of Commerce and Industry, Chicago, which will have a capital stock of \$300,000, surplus of \$300,000 and reserve of \$150,000 under the operation of Richard P. Larsen, president and Robert J. Zeman, cashier. Bank of Oakbrook Terrace, Oakbrook Terrace, with a total capital stock of \$300,000, surplus of \$300,000 and a reserve of \$150,000 under the operation of Michael A. Speziale, president and James Guido, vice president and cashier.

An application for a permit to organize has been filed by a group of applicants proposing to establish a new bank known as Suburban Bank of Elmhurst, Elmhurst, with a capital stock of \$300,000, surplus of \$300,000 and a reserve of \$150,000. Organizers include Fred E. Newman, Riverside; Walter Frank and Alfred C. Nowaczyk of Elmhurst; Arthur Gilles, Jr., Maywood;

Robert Walcott, Lisle; Ronald Gidwitz, Highland Park, and Hugh Kelley, Palatine. Also, a permit to organize has been issued to a group to establish The First Pacific Bank of Chicago with a total capitalization of \$4,500,000 to Russell Baker, Lake Bluff; James Brooks, Woodstock; Noboru Honda, Chicago; Donald O'Toole, Flossmoor and Masatoshi Narita, Wilmette.

MINNESOTA NEWS

DULUTH: Promoted at the Northern City National Bank of Duluth were: James D. Chapman to assistant vice president; David L. Kerssen to trust investment officer, and Donald A. Tedlund to trust officer. It was also announced that Edward E. Michel, vice president, has retired from the bank after being affiliated with it for 47 years, according to C. Glenn Rye, president.

HAWLEY: James Montgomery of Hastings, Nebraska, was recently elected a vice president of the State Bank of Hawley at a meeting of the board of directors, according to James Durham, president.

MORRIS: Conrad N. Freeman has been named the new president of the Morris State Bank. In other promotions, Merle A. Felstul was named senior vice president; Dennis O. Freeman was named

vice president, and Clifford V. Buss was named cashier. Elected a new member of the board was Helen M. Freeman who fills the vacancy on the board occasioned by the death of her husband, C. H. Freeman, last January.

SOUTH DAKOTA NEWS

ABERDEEN: The following promotions have been announced by the Farmers and Merchants Bank of Aberdeen: Gary L. Svihovec has been named executive vice president; Duane Podoll to vice president and assistant trust officer; Myron Pfeifle, Terry Fuhrman and Ger-

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ald Zubke to assistant cashier. It was also announced that Robert E. Kaul and Patrick L. Odenbach have recently joined the bank staff.

NEBRASKA NEWS

HUMBOLDT: The Home State Bank and Trust Company has named Ronald M. Johnston a vice president.

MILFORD: Albert Ebers has been named farm representative and agricultural consultant at the Farmers and Merchants Bank.

NEBRASKA CITY: Ellsworth Merkel has been named president of the Otoe County National Bank.

COLORADO NEWS

LAKESWOOD: The Jefferson County Bank of Lakewood, now in its 26th year of operation, recently completed a 3,690 square foot drive-in facility which has been hailed as the biggest in the West. It has 15 automatic drive-in customer units and is unique in that one teller can serve two or three customers simultaneously from one console. Robin Bailey is president of the bank.

WYOMING NEWS

GILLETTE: Stocks and other interests owned in the Stockmen's Bank by Mrs. Coramay Edelman of Sheridan were recently purchased by Kenneth C. Nara-

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more, bank president. Stocks which were owned by Arnie Trautwein of Cheyenne were purchased by Joe Naramore, owner of the Stockmen's Motor Company in Gillette and also a brother of Kenneth Naramore.

WISCONSIN NEWS

MILWAUKEE: Wallace C. Ekvall, assistant vice president, First Wisconsin National Bank of Milwaukee, has been named Wisconsin's chairman of the Foundation for Full Service Banks, Allen P. Stults, Foundation trustee for the Seventh Federal Reserve District, announced.

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