

NORTHWESTERN Banker Newsletter

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Roundup of State Banking Legislation

When state legislatures convene this month the banking industry will have a vital interest in numerous bills scheduled to be submitted to these lawmaking bodies. The *NORTHWESTERN BANKER* contacted state banking associations in upper midwest and mountain states to learn what subjects or specific bills are likely to be up for action. Here is the current report:

Illinois — As reported in the December 25 Newsletter, the Illinois Bankers Association Council of Administration has approved recommendations of its Bank Structure Committee that would permit limited, multi-unit banking in the state. The IBA is scheduled to hold a special convention at the Palmer House in Chicago, January 25-26, to determine whether to accept or reject the Council's action. Each member bank will have one vote. So that IBA members may have as much information as possible on the proposal, the association will conduct three Workshops on Bank Structure Recommendations as follows:

January 12—Belleville, Augustine's Restaurant & Motel, at 10 a.m.

January 15—Chicago, O'Hare Inn, at 10 a.m.

January 16—Springfield, St. Nicholas Hotel, at 10 a.m.

The IBA's consumer credit division will sponsor a bill that will permit Illinois banks to finance big-ticket recreational vehicles under the installment plan. This would extend the payment period from

61 months to 121 months and increase the lending limit from \$7,500 to \$15,000. No change is being sought in the interest rate.

Iowa — The Iowa Bankers Association legislative committee and council of administration have approved several points of policy for legislation. These include support for legislation requiring color photos on drivers' licenses and offering color photo identification cards to non-drivers; drafting and support of legislation to improve the retirement program for Iowa department of banking employees; opposition to any attempt to increase bank taxation since banks already pay a higher rate of taxes to income than other corporations; opposition to any attempt to restrict the rights of lending institutions to engage in the insurance business, and resistance to any limiting legislation on credit life rates.

One pending question is proposed legislation submitted recently to the IBA by the Iowa Independent Bankers group. The IIB has stated to its members that "We will vigorously pursue legislative action" that will place a limit of 49% on the time and demand deposits that could be controlled by all bank holding companies in the state. Presently, each holding company is restricted to a limit of 8% of time and demand deposits of all banks in the state. The new legislation would be a cumulative total for all holding companies together.

Minnesota — The key item for the Minnesota Bankers Association will be support for amendments to the Bank Installment Loan Act. These include extending terms from the present five year limitation to 12 years, and increasing the maximum loan above the present \$5,000 limit. The bill has suggested a ceiling of \$35,000. These amendments are aimed at giving banks an opportunity to finance big-ticket items such as mobile homes, large boats, etc. The bill also includes an increase in the minimum charge for an installment loan, as well as some housekeeping amendments.

Another proposed bill would reduce the required reserves for state banks and increase the amount that can be invested in securities. This would be considered an offset to the effects of the Fed's Regulation D.

Another bill would authorize the investment of municipal sinking funds in banks.

The MBA will push for stiffer penalties for those passing bad checks. Other areas of consideration are: a change in the public deposits law, leasing for state banks, creation of a secondary market for conventional mortgages, and modifying the replevin and repossession statutes.

Nebraska — The legislative committee of the Nebraska Bankers Association has adopted a legislative program that includes the following:

- 1: To amend the section regarding maximum loans and invest-

(Turn to back page, please)

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IOWA NEWS

ANKENY: Everett Sather, CPA, and associates have purchased controlling interest in the Ankeny National Bank, effective December 28, 1972. A board meeting will be held January 15.

BETTENDORF: George C. Heninger, executive vice president of Bettendorf Bank and Trust Company, has announced the following officer promotions: Donald Schneden, vice president, accounting officer, to vice president, financial officer; David A. Laing, assistant vice president, to vice president; Kermit Kossan, assistant cashier, to assistant vice president; Thelma Ehredt, assistant cashier, to assistant vice president.

DUBUQUE: Funeral services were held recently for Charles A. (Carl) Firzlaff, 58, president of the First National Bank. Mr. Firzlaff was a member of the legislative committee of the Iowa Bankers Association.

FAYETTE: State Bank of Fayette has advanced Mrs. Katherine Gross to cashier, and Dave Nosbisch to asst. v.p.

SIOUX CITY: The Comptroller of the Currency has approved Toy National Bank's request to issue \$1.5 million in capital notes.

STORY CITY: The Randall-Story State Bank opened January 2. An office was retained in Randall. The bank was formerly the Randall State Bank.

TABOR: Funeral services were held recently for Glen P. Weatherhead, 71, a lifetime resident of Tabor. Mr. Weatherhead served on the board of directors of the First State Bank for a period of 20 years and was vice president of the bank at the time of his death.

NEBRASKA NEWS

CENTER: Elmer Crosley and Sons Investment Corporation has received Federal Reserve approval as a bank holding company to acquire 79.4% or more of the voting shares of Center State Bank.

GRAND ISLAND: David E. Tomlin has been promoted to vice president of corporate development for the First National Bank of Grand Island. Serving as vice president of Bankshares of Nebraska, Mr. Tomlin joined the company on August 1, 1972.

Other promotions at the bank include: Lemoyne E. Monson to assistant vice president EDP and Ronald L. Adams to trust officer.

EAGLE: A decision on the three applications for state bank charters here is expected to be made by State Banking Director Henry Ley sometime this month. Hearings on the three applications were held in mid-December.

KEARNEY: A hearing on the application by Ed Langley and associates for a state charter for Kearney State Bank was adjourned from December 20 to January 23.

LINCOLN: A. James Ebel, vice president and general manager of KOLN-TV/KGIN-TV, Lincoln and Grand Island, has been named board chairman of the Omaha branch of the federal Reserve Bank of Kansas City. He succeeds Henry Y. Kleinkauf, board chairman of Natkin & Co. Of Omaha, who has left the board after six years.

OMAHA: North Side Bank President J. M. Hart, Jr., has announced that the bank's directors have approved the transfer of \$500,000 to the bank's surplus creating capital funds in excess of \$2 million.

LITCHFIELD: A hearing on the application by Ed Langley and associates for a state charter for State Bank of Litchfield was held December 22.

MILLARD: The hearing on the application by Leon Langemeier and associates for a state charter for West Oaks Bank was held in mid-December.

WALLACE: A hearing will be held in the state banking director's office on January 17 on the application of the Niedan family to move the Citizens Security Bank charter to North Platte. They purchased the bank in 1972. They also own the Farmers State Bank in Wallace in which E. Dean Niedan is chairman and K. H. Niedan is president. In addition they own the Hershey State Bank and operate an industrial loan and credit office in North Platte.


MINNESOTA NEWS

BADGER: James R. Meland, Hallock, and Stuart Folland, Karlstad, have purchased controlling interest in the Badger State Bank from Nathan Gustafson. Mr. Meland is vice president and cashier of the Northwestern State Bank of Hallock and Mr. Folland is president of the Karlstad State Bank.

MINNEAPOLIS: Two officials of First National Bank of Minneapolis have retired. They are: Alan H. Moore, senior vice president heading the corporate staff services group, and Fred H. Waterhouse, vice president in charge of the bank property management department.

WILLMAR: Bruce Krupke has been elected cashier of the First National Bank. He replaces Truman Homme who has accepted employment with the West Central Community Services Center.

WINONA: Curtis H. Holmquist, formerly of Minneapolis, has joined The First National Bank of Winona as vice president in the loan department. For the past 16 years he has been with the Northwestern National Bank of Minneapolis where he presently serves as assist-



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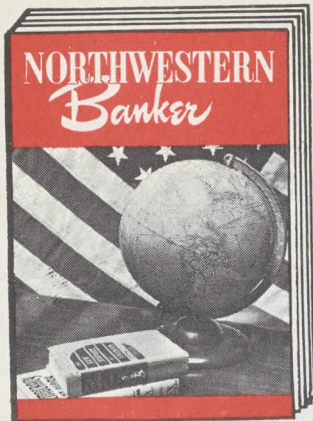


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ILLINOIS NEWS

BOLINGBROOK: An application for a permit to organize a new state bank, Bank of Bolingbrook, has been filed by Armando E. Jaconetti and Richard Frankovic, Oak Brook; Anthony Jaconetti, River Forest; Morton Goodman, Lincolnwood; Charles A. Benson, LaGrange, Raymond J. Schmitt, Prospect Heights and Edward J. Copeland, Highland Park. Total capitalization would be \$1 million.

CHICAGO: Funeral services for Jim H. MacLean, 65, retired assistant secretary at Northern Trust Bank, were held recently. He had been employed by the bank for 50 years.

CICERO: John F. Cilik, vice president of the Western National Bank of Cicero and a veteran of over 49 years service with the bank, has retired. Frank S. Burckhardt and Wesley F. Zulfer, both former assistant vice presidents, have been promoted to vice presidents.

WESTMONT: The Bank of Westmont has promoted four officers to new positions. They are: Ronald A. Kowalski, vice president and cashier, Andre Stepelton, assistant vice president, David L. Smith, assistant cashier, and Betty Stewart, assistant cashier.

NORTH DAKOTA

BISMARCK: The 12th Annual Bank Management Conference sponsored by the North Dakota Bankers Association will be held January 24-25 at the Grand Pacific Hall of Four Seasons here. K. B. Cummings, president, American National Bank of Valley City, is chairman of the Bank Management Committee. All state

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legislators and their spouses will receive formal invitations to attend the social hour and banquet January 25.

Registration commences at 4 p.m. January 24, followed by social hour, smorgasbord and dancing. On Thursday morning, opening speakers will be William A. Briggs and Gerald T. Wehrin, managers of bank services for Price, Waterhouse & Co., at Minneapolis and Buffalo, N.Y., respectively. They will discuss "Planning for Profit Improvement." The second morning speaker will be Paul T. Birkeland, attorney, Minneapolis, on the topic, "The Uniform Commercial Code Interpreted."

The luncheon speaker will be The Hon. Arthur Link, North Dakota's newly-installed Governor.

The afternoon program includes:

Rex J. Morthland, president-elect of the ABA and chairman, Peoples Bank & Trust, Selma, Ala. — "Hunt Commission Report."

Gerard J. Kenna, president, Execudec, Inc., Wausau, Wis. — "Ransom Your Wife?"

The banquet speaker will be J. N. "Chris" Christianson, Scottsdale, Ariz., whose subject will be "Change Your Life, Baby."

BISMARCK: H. L. Thorndal, president and manager, The Bank of North Dakota, announces the transfer of \$1,625,000 of the bank's profits to the state treasurer for deposit to the state's general fund. This is one-fourth of the \$6.5 million of the state-owned bank's profits appropriated by the 1971 legislature. It is anticipated that the 1973



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legislature will increase the amount to \$8 million for the ensuing biennium.

MINOT: George Johnson, president, First National Bank, announces the promotions of Mrs. Barbara McLaughlin from secretary to assistant loan officer and Mrs. Verna Peterson from secretary to trust secretary. Mrs. McLaughlin has been with the bank since 1952. Mrs. Peterson started with Northwest Bancorporation in Grafton in 1953 and transferred to First National in 1966.

WYOMING NEWS

GILLETTE: Kenneth C. Naramore, president of the Stockmen's Bank, has announced the following promotions: Mrs. Helen Hurt and Gordon Outzen from assistant vice president to vice president, and Del Brown from loan officer to assistant cashier. Mrs. Hurt has been with the bank 12 years. Mr. Outzen joined the bank three years ago, and Mr. Brown started with Stockmen's Bank 13 years ago.

MONTANA NEWS

POPLAR: Poplar Insurance Agency, Inc., has received approval from the Federal Reserve to acquire 93.34% of the voting shares of Traders State Bank, Poplar.

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COLORADO NEWS

BOULDER: Affiliated Bankshares of Colorado, Inc., has filed its application with the Federal Reserve Board for approval to merge with First Colorado Bankshares, Inc., Littleton.

CARBONDALE: Roaring Fork Bank has received approval for FDIC coverage. J. Robert Young is president. Capital accounts are \$250,000.

DENVER: First National Bancorporation, Inc., has appointed Phillip J. Hogue and Thomas P. O'Rourke as senior vice presidents and Richard S. Fitzgerald as vice president and treasurer.

LAKESWOOD: FDIC coverage has been approved for Jefferson Bank South, according to Robin B. Bailey, president of the bank.

NORTHGLENN: Richard M. Brown has been promoted from assistant vice president to vice president at The First National Bank. Myrna Lacina and Beverly Honey were promoted to operations officers; Robert Neihoff to loan officer; Thomas Hull to assistant loan officer and Lois Brown to assistant operations officer.

SOUTH DAKOTA NEWS

MADISON: Elden W. Rance has been promoted to vice president and manager of the branch office here of National Bank of South Dakota. He succeeds Leonard Palm, who retired January 1. Mr. Palm started his banking career with the former Security Bank of Madison in

1938 and became vice president and manager when it was merged with National Bank of South Dakota on September 10, 1970. Mr. Rance started his banking career in 1956 with Union National in Minot, N.D. He became vice president and assistant manager at the Madison branch in September, 1970. Donald G. Jorgenson was elected assistant vice president. He moves to Madison from Vermillion where he was assistant cashier and ag rep at National Bank's branch there.

LEGISLATION ROUNDUP

(Continued from Page 1)

- ments by state banks which is presently fifteen times capital and surplus. Exact changes to be worked out with the Department of Banking.
- 2: To amend state law regarding ownership of stock by directors.
 - 3: To amend state law to provide for deductibles in the area of blanket bonds.
 - 4: To amend state law to provide proceeds for Hearings and Notices with regard to non-peaceful repossessions.
 - 5: To amend the personal loan law for banks to provide 121 months repayment instead of 85.
 - 6: To amend state law to increase loans to employees from \$2500 to \$5000.

North Dakota — The North Dakota Bankers Association plans to submit only "housekeeping" bills to the legislature.

South Dakota — A big issue in legislature is expected to be personal and corporate income tax, which has been sponsored by Democrats past two sessions and defeated. Democrats now control both houses and Governor's chair for first time in 40 years. Among four Constitutional changes approved by voters is one reorganizing executive branch, and an amendment restricts it to 25 departments, so banker concern will be over disposition of the state banking department.

Wyoming — The Wyoming Bankers Association supports a pre-filed bill by the Joint Interim Legislative Committee that will tax Wyoming banks the same as all other Wyoming corporations rather than a special tax on a bank's common capital. The WBA will present a bill to repeal the safe deposit box inventory law. The WBA also will submit a bill to exempt banks from paying supervisory fees under the UCCC, since the majority of bank loans are smaller ag loans.

Colorado — The Colorado Bankers Association is not sponsoring any bills at this time, although it probably will support the proposed Uniform Probate Code. The CBA also will be watching any amendments offered to the UCCC.

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