

NORTHWESTERN Banker Newsletter

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July 2, 1973

Larger Illinois Banks Quit Association

Over 150 Illinois banks have withheld their dues from the Illinois Bankers Association and joined the comparatively new organization known as AMBI (Association for Modern Banking in Illinois).

The dissident group includes a majority of the larger banks throughout the state, representing up to 25% of the dues structure of the Illinois Bankers Association. The mass withdrawal of banks from the 1,149 member IBA is unprecedented in the 82-year history of the Association. Major banks joining AMBI are: Continental Illinois National Bank and Trust Company, First National Bank, Harris Trust and Savings Bank, Northern Trust Company, Central National Bank, LaSalle National Bank, and Exchange National Bank.

Major banks that have elected to continue with the Illinois Bankers Association and pay their dues include American National Bank and Trust Company, National Boulevard Bank and Drivers National Bank.

The split came during the 82nd annual convention in May when IBA members voted 396 to 187 to reject a proposal made by the Council of Administration that the Association remain neutral on the subject of multi-office banking. They then reaffirmed the IBA's long-standing policy of opposing any legislation that would permit branch banking or multiple holding company banking.

AMBI is committed to changing the unit

banking structure in Illinois. During the convention, the AMBI group favored a neutral position by the IBA. It is felt that if the IBA would adopt this neutral position, most of the banks forming the AMBI group would return to membership in the Illinois Bankers Association. According to one authority, the larger banks feel that they have had to compromise with the IBA for over 40 years — and now it is time for the IBA to compromise.



James P. Ghiglieri

James P. Ghiglieri, president-elect of the Illinois Bankers Association and president of the Citizens National Bank of Toluca, made the following statement:

"We regret and are highly concerned about the announcement that some of the members of the Illinois Bankers Association who favor multi-office banking will leave the association in an effort to foster their objectives. Such action can have only a negative effect upon banking in Illinois and its ability to provide the best possible banking services in our state.

"It is unknown at this time how many banks plan to withdraw from IBA. Approximately 10% of our members have not paid their membership dues which are due this month.

"Branch banking and multi-unit holding company banking are important issues in this state. The position that IBA now holds on these issues was reached in open sessions through the action of the delegates who represent all banking interests in Illinois. Certainly any further resolutions of their views can be accomplished better within the open forums of the IBA than from outside the association.

"Anyone who allows these issues to divide the banking community in Illinois is overlooking the many other serious and important concerns which have joined us together for the benefit of good banking.

"For example, during this past year, IBA studied and acted upon more than 200 legislative bills in behalf of good banking services in this state. Eight concerned multi-office banking. On all of the others, there was unanimous agreement among our members over IBA's action. Surely, no banker wishes to limit such legislative study and activity, including, we are certain, those who we hear plan to leave IBA and deprive it of their support.

"During this past year, also, we have held five established educational conferences and numerous workshops at which more than 3,000 bankers participated. These programs will be continued, but we are concerned that employees of banks which leave IBA will be deprived of participation.

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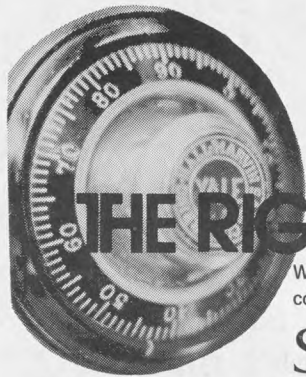


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IOWA NEWS

BATTLE CREEK: Funeral services were held last week for Michael D. Michelson, pres., First State Bank. A prominent banker, Mr. Michelson had recently filed application to move his bank to Ida Grove.

COLUMBUS JUNCTION: H. Lee Huston, chmn., Columbus Junction St. Bk., was honored Saturday, June 30, at a special party attended by area bankers on the occasion of his 50 years in banking.

COUNCIL BLUFFS: Funeral services were held recently for John M. Jurgens, retired vice president and director of the Council Bluffs Savings Bank.

DES MOINES: Richard C. Lee, chairman of the board and chief executive officer of Capital City State Bank, died of a heart attack last week. He joined the bank as vice president in charge of new business development in 1960. A director since 1951, he became president in 1965 and chairman of the board in 1969.

DES MOINES: J. D. Kent, Jr., chairman of Continental Western Industries, Inc., has announced that agreement has been reached to divest First National Bank of West Des Moines. He said the disposition was required by the enactment of the One Bank Holding Company Act, which

became law two years after the bank was acquired in 1969. First National is 49% owned by Continental Western Industries and 51% owned by a wholly-owned subsidiary, Continental Western Insurance Company.

Primary purchaser of the bank is Roy M. Messerschmidt, who was the majority stockholder of the bank when acquired by Continental Western. Terms were not disclosed, except that the return of all Continental Western shares issued in the acquisition of the bank was involved.

GOOSE LAKE: Application has been filed by Goose Lake Sav. Bk. to move its main office to Clinton.

KEOKUK: Terry Lowenberg, v.p., Iowa St. Bk. & Tr. Co., was the winner of the Group 11 golf outing this year.

MUSCATINE: The Central State Bank has announced the promotions of Donald C. Martin and Edward H. Caliger to vice presidents of the bank.

ORANGE CITY: Fran Nieman has joined the Sioux County State Bank as assistant vice president.

SIoux CENTER: Lauren Kaemingk has joined the First National Bank as farm representative. Mr. Kaemingk, 22, is a spring graduate of Iowa State University.

SIoux CENTER: Ed Roetman has joined the new American State Bank. Other new staff members are: Jan Van Berkel, former teller at First National, Sioux Center; Janet Dykstra, former teller at First Federal Savings and Loan and Debbie Dibbet.

STUART: Paul A. Olson, cashier of the Security State Bank, has been elected to the

board of directors. His election fills the vacancy created by the death of Dr. P. O. Swanson. Mr. Olson joined the bank in 1964 and is currently president of the Southwest Iowa Bankers Association.

NEBRASKA NEWS

HASTINGS: O. J. McDougal, Jr., has been promoted from vice president to senior vice president of the City National Bank of Hastings. He joined the bank in 1957 as agricultural representative.

LINCOLN: A hearing has been set for 9:30 a.m. on August 14, room 2414, State Capitol, on an application by Gateway Bank for a detached auxiliary teller office to be located in the Meadowlane Shopping Center.

LINCOLN: On August 21 at 9:30 a.m., room 2414, State Capitol, a hearing will be held on an application by the First Westroads Bank, Inc., Omaha, to establish a detached auxiliary teller office at the northwest corner of the intersection of Regency Circle and Regency Parkway in Omaha.

LITCHFIELD: The Department of Banking has approved the application of the State Bank of Litchfield for a charter.

OMAHA: Dennis Reiling, sales representative for Deluxe Check Printers, died of cancer last week. Mr. Reiling was covering eastern Nebraska.

OMAHA: Lawrence F. Uebner, second vice president and manager of The Omaha National Bank's international department, has been elected president of the Midwest International Trade Association. Dale Blanchard, assistant vice president and manager of the international department, National Bank of Commerce, Lincoln, was elected secretary.

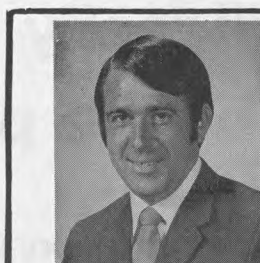
WAUSA: Robert W. Schanou has joined the Commercial State Bank, according to G. E. Gunderson, president. He will be assistant vice president and agricultural representative.

MINNESOTA NEWS

APPLE VALLEY: Organizers of the First State Bank have announced that the bank has received approval for membership in the Federal Reserve System.

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DODGE CENTER: Lowell Grasdalen has been elected president of the Northwestern State Bank by the board of directors, effective July 15. He will replace Jim Loehr who has accepted a position with Northwest Bancorporation of Minneapolis.

MINNEAPOLIS: Sister Anne Joachim Moore, president and dean of St. Mary's Junior College of Minneapolis, and Robert J. D. Wilkie, executive vice president of Continental Machines, Inc., Savage, have been named directors of the Fourth Northwestern National Bank of Minneapolis.

MINNEAPOLIS: First Bank System has announced the election of David Johnson as vice president, liaison division, effective July 9. Mr. Johnson began his banking career with First National Bank of Minneapolis in 1956 and was formerly vice president and office manager of the West Broadway office. Also announced was the appointment of Dennis W. Augdahl as systems officer, financial division.

NEW YORK MILLS: The new Farmers and Merchants State Bank building was officially opened last week, according to E. H. Buerkle, bank president.

RICHFIELD: Bernard Berke has been promoted to senior vice president, commercial loans, at the Richfield Bank & Trust Co., according to Chester N. Eggen, president. John V. Pierceall has been elected vice president in charge of the commercial loan department.

ILLINOIS NEWS

CHICAGO: James W. Little has been elected senior vice president, international banking at LaSalle National Bank.

CHICAGO: Blaine E. Rieke, who has been vice president in charge of corporate services in the trust department of Continental Illinois National Bank and Trust Company, is joining First Wisconsin Trust Co., Milwaukee, as executive vice president and a director.

STREAMWOOD: An application for a permit to organize the Charter Bank of Streamwood has been filed. Total capitalization would be \$1 million, consisting of: \$400,000 in capital stock, \$400,000 in surplus and \$200,000 in reserve for operating expense. Applicants include: Allan E. Bulley, Jr., Kenilworth; Larry L. McGregor and Eugene E. White, Northfield; David D. Reid, Northbrook; Robert W. Schnack, Wheaton, and Clinton Youle, Wayne.

COLORADO NEWS

ASPEN: Ron Ward has been named manager of the Aspen Industrial Bank.

DENVER: Charles M. Schayer, head of the brokerage firm which bears his name, has been elected a director of Guaranty Bank.

GLENWOOD: James Chapin has been elected a vice president at the Bank of Glenwood, according to William T. Sisson, bank president. Mr. Chapin previously was vice president and cashier at the Hilltop National Bank in Casper.

LAKEWOOD: Directors of Jefferson Bank South have elected Charles K. Skinner, Jr., president.

SOUTHGLENN: Frank S. Peterson, 37, executive vice president, has been named president of The First National Bank. William C. Morr, 41, has been promoted to senior vice president and senior loan officer, succeeding Thomas P. O'Rourke who is now a senior vice president of The First National Bancorporation.

MONTANA NEWS

Twelve Montana banks, owned principally by Edward Towe of Circle, Mont., have been sold to a Cleveland, Ohio man and several other investors.

The banks are located in 12 cities around the state. No terms were given for the transaction, which was announced recently.

The banks changing hands were:

Montana National, Butte; Montana National, Absarokee; Baker National, Belgrade State; Montana National, Bozeman; First National, Browning; First National, Circle; Fairview Bank; Montana National, Red Lodge; Montana National, Roundup; Montana National, Richey; and First State Bank, Superior.

Alan W. Noyes, who sold his holdings along with Towe in the Butte, Browning and Superior banks, has been elected president of the Butte facility. He had been executive vice president of the bank.

The Montana banks were purchased by Eldon E. Kuhns and a syndicate including several other investors. Bank officials said Mr. Kuhns would move to Montana to assume supervision of the banking organization.

Mr. Kuhns is a native of Nebraska and has organized a number of banks and financial institutions in the Midwest.

Mr. Towe retains two banks in the state, Montana National in Plentywood and First National in Wibaux.

NORTH DAKOTA NEWS

BISMARCK: The Bank of North Dakota has increased its capital from \$2,000,000 to \$5,000,000.

HARVEY: The First State Bank is celebrating its 60th anniversary this month.

KILLDEER: David Schultz of Sidney, Mont., has joined the Bank of Killdeer. He was graduated from Dickinson State College this spring.

LA MOURE: The First State Bank of LaMoure recently held a grand opening.

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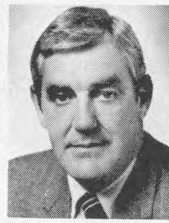
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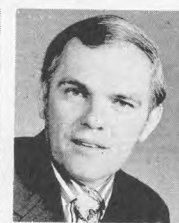
Three of our men
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Fred Coulson



Tom Cannon



Dick Muir

COMMERCE BANK of Kansas City^{NA}

RICHARDTON: President of the Farmers State Bank for the past 18 years, D. W. Knudson, has announced his retirement from the bank effective July 1. Before joining his present bank Mr. Knudson was employed by the Federal Land Bank at Fergus Falls, Minn.

VELVA: Richard Beall has joined the Peoples' State Bank. He is a spring graduate of the University of North Dakota, Grand Forks.

SOUTH DAKOTA NEWS

PIERRE: Alma Pulles, assistant cashier at the Pierre National Bank, has retired after 40 years of service.

WYOMING NEWS

CASPER: Roger A. Curtis has been named cashier at the Hilltop National Bank.

ILLINOIS BANKS

(Continued from Page 1)

"We regret also that some bank employees will be deprived of instruction at the Illinois Bankers School at Southern Illinois University in Carbondale, and the Agricultural Lending School at Illinois State University, Normal, because their banks no longer are members of IBA. Such deprivation injures not only the respective employees and banks, but also the entire banking community in Illinois.

Negotiations were continuing at press time. On Friday, June 29, officers and the Illinois Bankers Association and officers of AMBI met for lunch. Key AMBI officers

include: Chairman Walter J. Charlton, president of the First Trust & Savings Bank, Kankakee, and President Henry G. Seyfarth, chairman of the First National Bank, Blue Island.

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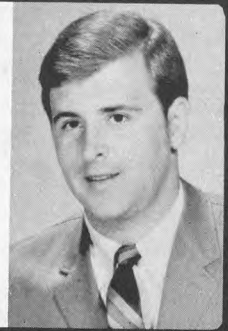
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