

NORTHWESTERN Banker Newsletter

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January 20, 1975

Illinois Bankers to Discuss Branching

Officials of the Illinois Bankers Association start today, Jan. 20, on a series of 10 group meetings in the state to discuss with IBA members the proposals for bank structure changes sent recently to them by IBA President William O. Kurtz, president, Metropolitan Bank & Trust Company, Chicago.



W.O. KURTZ

A.F. BUSBOOM

The recommendations were submitted by a special 16-member IBA structure committee chaired by Arthur F. Busboom, IBA first vice president and president, Bank of Rantoul. The committee was appointed in July following a resolution calling for such a committee at the state convention in May, 1974.

The meetings are scheduled as follows:

Jan. 20—Gp. 2, Holiday Inn, Kankakee.
Jan. 21—Gp. 6, Peoria Hilton.
Jan. 22—Gp. 4, Emerald Hill Country Club, Sterling.

Jan. 23—Gp. 3, Holiday Inn, Rolling Meadows.
Jan. 24—Gp. 1, Bismarck Hotel, Chicago.
Jan. 27—Gp. 10, Holiday Inn, Carbondale.
Jan. 28—Gp. 9, Augustine's, Belleville.
Jan. 29—Gp. 5, Holiday Inn, Jacksonville.
Jan. 30—Gp. 7, Sheraton Inn, Mattoon.
Jan. 31—Gp. 8, Forum 3, Springfield.

The committee agreed to the following recommendations on changes in Illinois bank structure:

1. A bank is permitted to establish one branch per year in the same city as its home office or five miles from the city limits.
2. A bank's annual allotment of one branch may be deferred and accumulated with the following year's allotment. Therefore, a bank can only accumulate one previous year's allotment at any time.
3. **Limited Facilities**
Operation of limited facilities may be continued under the existing facility statute. If a limited facility is converted to a full-service branch office, such conversion must be in accordance with the provisions given above.
The privilege of establishing **new** limited service facilities will continue under the existing facility statute and shall not count under a bank's branch expansion quota.
4. **Home Office Protection**
The following applies to cities located in counties with population of 250,000 or less:

In cities with population under 5,000, the following restrictions apply:

- A. In a city in which the home office of a bank is located, another bank not domiciled in that city may establish a branch no closer than one mile from the city limits.
- B. A bank whose home office is domiciled within the city may establish a branch not closer than one mile from the home office of another bank within the city.

In cities with population of 5,001 to 15,000, the following restrictions apply:

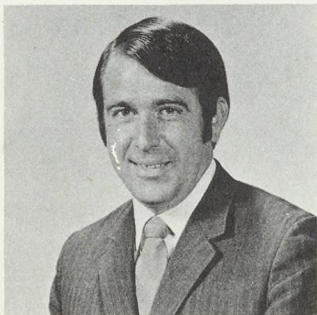
- A. A bank whose home office is domiciled outside the city cannot establish a branch closer than two miles from the home office of a bank domiciled within the city.
- B. A bank whose home office is domiciled within the city may establish a branch not closer than one mile from the home office of another bank within the city.

In cities with population over 15,001, the following restrictions apply:

- A. A bank may not establish a branch office closer than one mile from the home office of another bank within the city.

In counties with more than 250,001 population, all restrictions are the same as above except for cities of over 15,001. In these cities a bank may not establish a branch office

Turn to page 3, please)



Larry Welch

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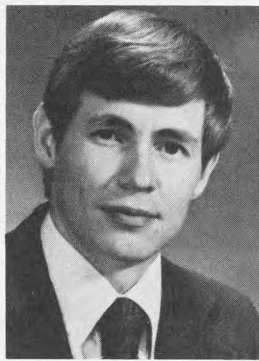
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Prime Below 10%

For the first time since last April 11, a major bank has dropped its prime lending rate below the once unthinkable double-digit level.

Morgan Guaranty Trust Co., the nation's fifth largest bank, announced last week it was cutting the rate charged its most credit-worthy customers from 10¼ to 9¾ per cent, effective immediately.

Iowa News

BLAIRSTOWN: Richard L. Kelly has been appointed to the board of the Brenton County State Bank to finish out the term of his late father, Leo Kelly, bank president.

CENTERVILLE: Jack A. Lee, assistant vice president of the Iowa Trust and Savings Bank, has been appointed office manager at Moravia.

DAVENPORT: Lorne Newhouse has resigned as executive vice president of First Trust & Savings to join United National Corp., Sioux Falls, as executive vice president. The multi-bank holding company is headed by John Vucirevich.

DAVENPORT: Robert E. Mermert, formerly with Dunn and Bradstreet, has joined Northwest Bank & Trust as personnel and internal services officer.

DES MOINES: Approval was granted January 16 by the Federal Reserve Board for the chartering of Central States Bancor, Inc., a one-bank holding company that owns Capital City State Bank. At the annual meeting of the bank last week, Chairman Edwin A. Langley also was elected president, assuming the duties of Warren Ferguson, who retired. Mr. Ferguson will continue with the bank as manager of the public relations division. Fred DeVries, who joined the bank two months ago, was named vice president-manager, retail banking center.

DES MOINES: Iowa-Des Moines National reported total assets of \$518,943,000. This is the first time an Iowa bank has passed the half-billion mark in assets.

ELDRIDGE: FDIC has approved an office for Central Trust & Savings Bank, to be located in the unincorporated community of Park View.

NEWTON: Colleen Spain was elected savings officer of the Newton National Bank at the board of directors annual meeting last week.

OTTUMWA: The Baxter Smiths have retired at Union Bank &



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Trust. Baxter was assistant vice president, and his wife, Dorothy, was manager, Customer service.

POCAHONTAS: Gerald N. Strathman has retired as cashier of Pocahontas State Bank, after 40 years.

POLK CITY: James Crees, with the Iowa-Des Moines National Bank for 14 years, has joined the Polk City Savings Bank as auditor. B. D. Mosier, director for 37 years, recently retired.

Nebraska News

LEIGH: Bank of Leigh has announced the following promotions: Charles A. Mullenhoff, cashier, and Mrs. Lilas M. Kumpf, assistant cashier.

OMAHA: Ames Plaza Bank has received approval to establish a detached auxiliary teller facility at the southeast corner of 90th and Fort Street.

OMAHA: The Nebraska Bankers Association will hold its annual Installment Credit Conference February 6 and 7 at the Old Mill Holiday Inn in Omaha.

Minnesota News

BEMIDJI: Northern National

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Bank has promoted the following three persons to assistant cashier: Bonita Lind, Jim Sutton and Jim Dahl.

MINNEAPOLIS: Bruce Lloyd, president of the Independent Bankers of Minnesota and president, Heron Lake State Bank, has appointed three committees that will serve until the annual convention in August. The committees and their chairmen are: Bank Study (plans annual Keyman Seminar each spring)--E. Milton Klohn, IBM first vice president and president, Town & Country State Bank, Newport; Public Policy and Legislation--Richard H. Plunkett, IBM second vice president and chairman and president, Rochester Bank & Trust Co.; Public Information--Robert J. Buscher, IBM district two director and chairman and executive vice president, American State Bank, Mankato.

ST. PAUL: A. A. Haessig, vice president, banks and bankers division at American National Bank and Trust Company, announced last week that the open house to celebrate the grand opening of the bank's new building on January 24 has been cancelled and will be rescheduled at a future date.

ST. PAUL: David A. Shern, president of Mid America Bancorporation, Inc., has been elected a director of Hillcrest Mid America State Bank of Maplewood, a northern St. Paul suburb.

TRIMONT: Alfred E. Peterson, 83, retired Trimont banker, died recently. He joined the Farmers State Bank in 1915, served as

president 25 years and retired two years ago.

Illinois News

CHICAGO: Gaylord Freeman announced last week his intention to retire at the end of 1975 as chairman of the First National Bank of Chicago and the holding company, First Chicago Corp. Mr. Freeman said the board of directors has designated A. Robert Abboud, 45, as his successor. Mr. Abboud presently is deputy chairman. Mr. Freeman also announced the election of Neil McKay to the First Chicago Corp. board. Mr. McKay is executive vice president and cashier of First National Bank and secretary of the holding company.

KEWANEE: J. Ronald Blevins has been elected president and chairman of Kewanee National Bank.

North Dakota News

The North Dakota Bankers Association will hold its 40th annual Bank Management Conference at the Holiday Inn in Bismarck, January 29-31. The first general session begins at 9:15 a.m. on Thursday, Jan. 30. Some of the topics to be discussed include kidnapping, extortion and bank security, legislation and bank management.

South Dakota News

CASTLEWOOD: Citizens State Bank has been sold by Alan G. Atha to Thomas J. Vicurevich of Sioux Falls. No immediate changes in the staff are planned.

LAKE NORDEN: First State

Bank has been sold by Alan G. Atha to Thomas J. Vicurevich. No changes in personnel are planned.

MCLAUGHLIN: Open house will be held at the First State Bank on January 22 to honor R. G. Knodel, president, for 40 years of service to the bank.

SIOUX FALLS: Lorne Newhouse has joined United National Corp. as executive vice president. He was formerly with Marquette National, Minneapolis, and First Trust & Savings, Davenport, Ia.

YANKTON: American State Bank has announced the following staff changes: William A. Deam, appointed vice president and trust officer, and Lowell C. Northey, promoted from assistant vice president to vice president.

Montana News

SHERIDAN: Paul Robert, president of the Bank of Sheridan, has sold controlling interest in the Bank of Sheridan to John Vicurevich of Sioux Falls. Mr. Vicurevich heads the United National Corp., a multi-bank holding company in South Dakota.

Wyoming News

CASPER: Mrs. Pat Smith has resigned as cashier of Western National Bank. Mrs. Smith had been with the bank for the past 5½ years. She began her banking career in Hannibal, Mo., in 1954. Mrs. Smith will announce her future plans in a few months.

Ben Eilders,



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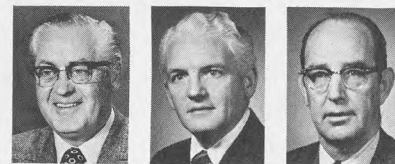
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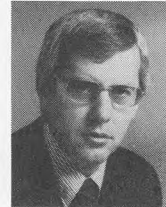
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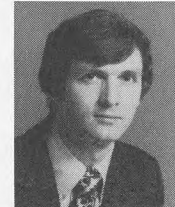
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BRANCHING

(Continued from page 1)

closer than three-fourths mile from the home office of another bank within the city.

In the Central Business District of Chicago defined as follows: North Avenue on the north, Roosevelt Road on the south, Lake Michigan on the east, and the Chicago River on the west—no bank facilities shall be established closer than 600 feet to the home office of another existing bank.

The home office protection of any protected bank may be waived by resolution only, duly adopted by its Board of Directors.

5. Holding Companies

A holding company may expand within contiguous counties subject to the following restrictions:

- A. A holding company may own not more than 25% of the **total assets** of all banks located in the home county and the contiguous counties.
- B. Only one acquisition per year is permitted. In the event of a merger of two or more holding companies, the units of the merged holding companies shall count under the expansion quota and no future units may be established until the holding company is in compliance with the expansion provisions as stated for the branching banks.
- C. In the event of a merger of two or more holding companies or banks, the bank with the

largest total assets becomes the home office.

- D. No bank of a holding company is permitted in counties not contiguous to holding company's main office. A holding company must divest within two years any banks located in counties that are not contiguous to the holding company's home office or of branches that would be in violation of the branching restrictions.

Additional miscellaneous recommendations have been proposed and will be discussed.—End

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LINCOLN—February 5
OMAHA—February 6

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