

# NORTHWESTERN Banker Newsletter

Vol. 7 No. 14

Des Moines, Iowa

July 31, 1978

## Lists Questions Directors Should Ask

**S**PEAKING before a bank directors' conference conducted in mid-July by the Kentucky Bankers Association, William M. Isaac, director of the FDIC, discussed banking and bank regulation in the age of social action. After reviewing the historic background and regulatory interpretations of such laws as Truth-in-Lending and the Community Reinvestment Act, Mr. Isaac offered "some important practical questions that I would be asking if I were in your shoes as a bank director." His questions are not only of interest to directors but officers of banks as well.

Mr. Isaac stated, "The way these questions are answered will vary depending on the size and complexity of your bank and its community. Taken together, I hope that they give you some flavor of what we will be looking for in our future examinations of your bank." Mr. Isaac then concluded his address with these questions and closing comments:

1. What is your bank's community, what are the financial needs of that community, and how is your bank responding to those needs?
2. Do your bank's advertising and public relations programs present a positive image of the bank in the community as an Equal Opportunity Lender? Does your bank take affirmative actions

to seek out lending opportunities to small farms and businesses and to lower-income individuals?

3. Has your bank designated an adequately trained compliance officer to oversee employee training, to keep top management informed, and to resolve consumer complaints?



4. Does your bank have a code of social responsibility and ethics?

5. Does top management take a direct interest in consumer affairs and civil rights issues, and does the board of directors receive periodic reports of the bank's efforts in these areas?

6. Has your bank established an adequate audit program which will uncover violations?

7. When violations are discovered, whether through a customer complaint, an audit program or a compliance examination, does your bank's management act promptly to remedy the situation and to prevent its recurrence?

8. Does your bank have a manual setting forth objective,

nondiscriminatory loan policies and standards? Do the bank's underwriting standards unreasonably exclude lower-income borrowers, small businesses, or farmers?

9. Does your bank participate in the regulatory and legislative process to stay abreast of and help shape new laws and regulations?

10. Does your bank's top management meet regularly with community and public interest groups to keep open the lines of communication and to remain sensitive to changing needs and perceptions?

11. Does your bank have an adequate affirmative action plan for the employment and advancement of minorities and women?

As I said earlier, the time has come for all of us to stop behaving as adversaries. Bankers must recognize that consumer advocates and civil rights groups have legitimate concerns. Conversely, the people who focus their attention on social issues — including the regulators — must understand and accept the economic pressures with which business must deal. Everyone suffers when our economy falters — those who are just beginning to climb the economic ladder suffer most of all. If we can cooperate as reasonable men and women and make every effort to satisfy one another's objectives while we are satisfying our own, we can continue on the path toward a more open and productive society.

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### Iowa News

New officers will be installed at the August 17 meeting of the Central Iowa Group of the National Association of Bank Women (NABW). The meeting will be held at the Willowcreek Golf Course Clubhouse in Des Moines at 6 p.m.

The new chairman will be Agnes Malcolm-Gardner, trust officer and marketing director of the First National Bank, Perry. Carol Stone, trust officer of Central National Bank & Trust Co., Des Moines, will be the new co-chairman.

Other officers to be installed are: secretary, Helen Hoon, assistant cashier of the Plaza State Bank, Des Moines, and treasurer, Dena Bokhoven, vice president and cashier, Pella National Bank.

Jim Burk, president of the Wilson Learning Corp. of Iowa, will speak on "Women Moving Up." His topic of managing interpersonal relationships will include the four concepts of human potential, power of tension, understanding style and growth through versatility.

**ANKENY:** Two new officers have joined the Ankeny National Bank. They are Jim Anderlik as vice president and cashier and Ronald Jones as loan officer. Mr. Anderlik most recently was vice president and cashier at the Suburban National Bank of Palatine in Illinois. Mr. Jones formerly was instalment loan officer with Bankers Trust Co. of Des Moines.

**APLINGTON:** Dale H. Voss,

cashier of the State Savings Bank, has been promoted to vice president and director. Judy E. Abbas has been promoted from assistant cashier to cashier.

**BURLINGTON:** Hawkeye Bank and Trust has announced the elections of Dennis Dietzman as assistant vice president and Frank Delaney III as trust officer.

**BURT:** Controlling interest in the Burt Savings Bank has been purchased from Herman Rachut, Jr. by Bill Boehm, president; Ben Morris, III; Jerald R. Johnson, executive vice president, and John S. Bauch, vice president, all from Tama State Bank.

**CARROLL:** Bernard A. Gronstal and Thomas Gronstal have joined the Carroll County State Bank, Carroll, as loan officers. Since graduation in 1977 from the University of Iowa, Bernard Gronstal has been a credit union examiner with the state banking department. Tom Gronstal has been an examiner with the state banking department in the Mason City district the past three and a half years. Prior to that he worked 18 months at Central National Bank, Des Moines, as supervisor of the adjustment research department. He is a graduate of St. Benedict's College, Atchison, Kan.

**CEDAR FALLS:** Mark Sams, assistant cashier of First National Bank, recently was promoted to assistant vice president and mana-

ger of the College Hill Branch. Eva Lorenz was appointed assistant cashier and assistant branch manager.

**CENTERVILLE:** Martin Games has joined the Centerville National Bank as marketing director. He previously was with the Davis County Savings Bank in Bloomfield.

**DES MOINES:** David A. Millage, a May graduate of the University of Iowa College of Law and recent admittee to the Iowa Bar, has joined the trust department of Capital City State Bank.

**GREEN MOUNTAIN:** Martin J. Buck has joined the Producers Savings Bank as agricultural and insurance representative. He is a graduate of Drake University, Des Moines. The board has voted to increase the bank's surplus from \$300,000 to \$350,000.

**INDIANOLA:** Pam Merritt, consumer loan officer, has been named marketing director for Peoples Trust and Savings Bank.

**MARION:** Kent M. Neighbor has been named a director of the Farmers State Bank to succeed Hubert H. Blackford, 91, who resigned due to illness after 36 years on the board. Mr. Neighbor is a farmer and tiling contractor.

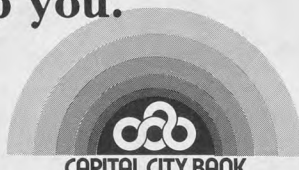
**SIoux CITY:** Toy National Bank has elected David Margheim assistant cashier.

**STORM LAKE:** James L. Tymeson, formerly vice president, has

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## NEW ISSUE

S & P Rating: "A"

In the opinion of Bond Counsel, interest on the Bonds of each issue is exempt from all present federal income tax except under certain conditions and is not included in the net income of financial institutions for the purpose of measuring the Iowa franchise tax thereon.

**\$2,200,000**

**CITY OF MASON CITY, IOWA**

**\$225,000**

**CITY OF VINCENT, IOWA**

Industrial Development Revenue Bonds, Series 1978  
(LAND O'LAKES, INC. PROJECTS)

Dated: August 1, 1978

Denominations: \$5,000

Both principal and semiannual interest (February 1 and August 1, first coupon due February 1, 1979) on each issue of Bonds payable at the principal office of \_\_\_\_\_, Trustee and paying agent.

### COMBINED MATURITY SCHEDULE

\$2,425,000 5.70% due August 1, 1988 Price 100%

The Bonds are subject to redemption prior to maturity as more fully described in the Official Statement.

**LEGALITY TO BE APPROVED BY HERRICK, LANGDON, BELIN, HARRIS, LANGDON & HELMICK, ATTORNEYS, DES MOINES, IOWA.**

The proceeds of these issues will be loaned to Land O'Lakes, Inc. to finance the acquisition, construction and installation of certain lands, buildings, and equipment to be used for the processing and storing of agricultural products in Mason City and Vincent, Iowa.

Pursuant to the Loan Agreements, Land O'Lakes, Inc. is obligated to pay Loan Repayments in amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds when due. The Bonds and the obligations of the Company under the Loan Agreements are secured by a Mortgage and Security Agreements from the Company to the Trustee.

The Bonds will be issued pursuant to Chapter 419, Code of Iowa, 1977, as amended, and pursuant to proceedings of the Cities. The Bonds will be limited obligations of the Cities payable solely from the revenues received from the Loan Agreements, undisbursed proceeds of the Bonds and proceeds of the disposition of the Mortgaged Properties under the Mortgages. The Bonds will never constitute an indebtedness or a charge against the general credit or taxing powers of the Cities against any property of the Cities, and no Bondholder shall have the right to compel the exercise of the taxing power or appropriation of any other funds, revenues or property of the Cities to the payment of Bond principal, premium (if any) or interest.

Land O'Lakes, Inc. was organized in 1921 under the Laws of Minnesota and is engaged in the processing and marketing of agricultural products produced by its members and the distribution of farm supplies to its members. Of 1977 sales, 71 percent were attributable to marketing and 29 percent to farm supplies. The Company's members are located in the Upper Midwest in the States of Minnesota, Iowa, Wisconsin, Nebraska, North Dakota and South Dakota.

### 1977 FINANCIAL HIGHLIGHTS - LAND O'LAKES, INC.

Sales	\$1,407,558,000	Total assets	\$369,894,000
Margin before income taxes	17,656,000	Long Term debt	56,518,000
Applied to: income taxes	1,433,000	Members & Patrons equities	145,211,000
patronage refunds	15,340,000		

The securities are offered by means of the Official Statement and this announcement is neither an offer to sell nor a solicitation of any offer to buy. Upon request, a copy of the Official Statement describing these securities and the business of the Company may be obtained from Carleton D. Beh Co.





**Supplement To Northwestern Banker Newsletter 7-31-78**



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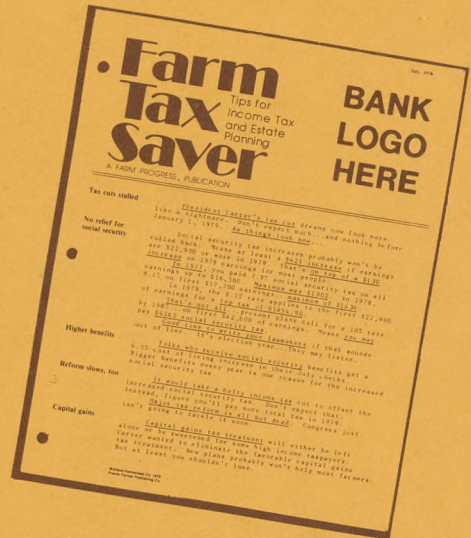
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V. A. - Kentucky

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FARM TAX SAVER is a concise four page monthly newsletter published by Farm Progress Publications. This company, which for so many years has given the farming community Prairie Farmer, Wallaces Farmer, Indiana Prairie Farmer and Wisconsin Agriculturist, now presents FARM TAX SAVER. Because of a demand from farmers for more tax and estate planning information, we started publication in early 1976.

FARM TAX SAVER is written by Robert M. Dunaway, an income tax and estate planning specialist. It's reviewed by a farm tax specialist, a top accounting firm and the Internal Revenue Service.

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Richard E. Retz, Agricultural Consultant and Trust Officer of Home State Bank, Jefferson, Iowa says this about FARM TAX SAVER:

*"We've been supplying FARM TAX SAVER Newsletter to our farm friends and their tax practitioners since the first issue. It has given us many opportunities to get better acquainted with the people who are receiving FARM TAX SAVER."*

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been elected president of The Commercial Trust & Savings Bank succeeding L. A. Tymeson who was elected chairman. Jane E. Enfield was named assistant cashier.

**WAVERLY:** Kenneth P. Collman has joined the First National Bank as trust officer. He previously was trust officer of the Peoples Bank and Trust Co. at Hartley.

### Nebraska News

**GERING:** Gering National Company has received approval to become a bank holding company by acquiring The Gering National Bank and Trust Company.

**HASTINGS:** J. Robert Wilson and W. Benjamin Evans are new members of the board of the First National Bank. They fill the vacancies created by the retirement of Clarence Anderson, Harold Johnson and Edward Wilkin. Mr. Wilson is president of the Kansas-Nebraska Natural Gas Co. Mr. Evans is president of Western Land Roller Co.

**LAUREL:** The Security National Bank recently held a 50th anniversary picnic for area residents at the Laurel City Park, according to Richard E. Adkins, president.

**SEWARD:** The Jones National Bank has announced the following promotions: Russell M. Struthers, chairman; Charles B. Matzke, president, and Douglas M. Brand, vice president.

**WAYNE:** The First National Bank has received consent to establish a branch at 703 Main Street.

### Minnesota News

**CLOQUET:** Promoted at City National Bank are: Dennis E. Ellefson, to loan officer; Jody L. Vinopal, from administrative assistant to assistant vice president; and Janet L. Johnson, from cashier to assistant vice president and cashier.

**GOLDEN:** Lilly Quirk recently was appointed loan servicing officer in the commercial and real estate loan department of the First National Bank. Greg Alpers was promoted to collections officer in charge of the instalment loan collection department.

**HOPKINS:** Bruce Senske has been elected a personal banking officer at The First National Bank.

**LEWISVILLE:** Lewisville Bancshares, Inc., has received approval to become a bank holding company through the acquisition of the Merchants State Bank here.

**MAPLE GROVE:** Thomas W. Klick has been elected commercial loan officer of the Northwestern Bank Northwest.

**OWATONNA:** Northwestern National Bank has announced the promotion of David F. Robbins to senior vice president, loan administration, and the election of David B. Hinsverk as credit officer.

**ROBBINSDALE:** First Robbinsdale State Bank has announced the elections of Bruce C. Winslow to commercial banking officer and Catherine S. De Vilbiss to personal banking officer.

**ROCHESTER:** Karen Ruegg has been promoted from assistant vice president and chief operations officer to cashier of Rochester Bank & Trust Co. Kay Larsen was named assistant cashier and supervisor of the bookkeeping department.

### Illinois News

**ABINGDON:** An application for a permit to organize 1st Community Bank has been filed. The bank's total capitalization of \$1 million would consist of \$400,000 in both capital and surplus and \$200,000 in reserve.

**CHICAGO:** Heritage County Bank has promoted Ronald P. Groebe to vice president of operations. He formerly was manager of data processing services.

**MAROA:** Bank of Maroa has been issued a state bank trust certificate of authority. Richard E. Colbert has been named trust officer and Robert Stoutenborough assistant trust officer.

### Wyoming News


**KEMMERER:** William J. Kvenild has been promoted from executive vice president to president and director of the Fossil Butte National Bank, according to Emil A. Zebre, chairman. Mr. Zebre formerly was chairman and president. Kenneth C. Turrentine has joined the bank as vice president.

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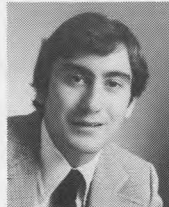
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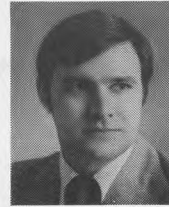
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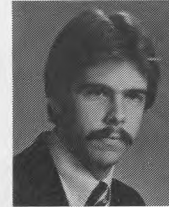
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## Colorado News

**ARVADA:** Garland L. Anneler has been named president of the new United Bank of Arvada, which will open in October at the intersection of Wadsworth Boulevard and 80th Avenue. He formerly was vice president, consumer services and personnel, at United Bank of Littleton.

**ARVADA:** FirstBank Holding Company, Lakewood, has received approval to acquire Westland National Bank here.

**GRAND JUNCTION:** First National Bank has announced the return of James W. Patterson as executive vice president from the bank's Aspen Branch. He also was elected a director. Mr. Patterson is replaced in Aspen by I. Hoell Mallory. Also at Aspen, Patricia R. Manuel was named mortgage loan officer.

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### PARTIAL LIST OF AVAILABLE POSITIONS

**EXEC. V.P.** - Aggressive, success oriented record, with proven marketing ability, are the requirements. Must be on an accelerated success pattern. Salary low \$30's.

**EXEC. V.P.** - Ill. bank. Background must be from a rural bank. Lending exp. needed, agri. exper. a must. Salary upper \$20's.

**EXEC. V.P.** - Agri. related community bank. Will function as #1 person in bank. Located in pleasant la. town. Salary mid \$20's.

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### TOM HAGAN & ASSOCIATES

Linda Blue Smith, President  
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