

# NORTHWESTERN Banker Newsletter

Vol. 8 No. 24

Des Moines, Iowa

October 8, 1979

## New Pressure for Interstate Banking

**T**HE U.S. Supreme Court has agreed to review the validity of state laws that restrict bank-related activities by companies whose business is largely in other states.

The court test comes in a Florida case in which a state law, held unconstitutional by a federal court, prevented Bankers Trust New York Corp. from opening a Palm Beach investment advisory firm, BT Investment Managers, Inc.

The Bankers Trust application to open the investment firm was actually rejected in 1973 by the Federal Reserve Board, relying on the Florida law. Amendments to the federal Bank Holding Company Act in 1970 had authorized banking companies to engage in other activities closely related to banking, subject to Federal Reserve approval.

Florida officials said the legislature passed a law to protect Florida firms and provide state regulation over firms doing business in the state. Bankers Trust argued that the law interfered with interstate commerce. A federal court in Florida declared the state law unconstitutional, and the state sought Supreme Court review.

State bank supervisors from 14 states asked the Supreme Court to uphold the Florida law, warning that the lower court ruling will undermine state regulation of

banking.

The New York Clearing House, an association of 12 leading New York banks, argued against the Florida law, saying its purpose was to shield Florida companies from interstate competition.

### California Bill

A pending California legislative bill permitting limited reciprocal interstate bank branching may be lacking in support not only from small banks, but from large institutions which would normally favor interstate banking.

Advocates of the bill, which was introduced this summer and is scheduled for interim committee hearings November 19, nevertheless express confidence that the bill will succeed after the state legislature reconvenes in January.

The bill, introduced at the request of Citicorp, New York, allows an out-of-state bank holding company to create or purchase a bank subsidiary in California if the home state of the holding company passes reciprocal legislation. The out-of-state entity would be restricted to two branches in California, which in most cases would mean a branch in San Francisco, and another in Los Angeles.

Introduced as a "two year bill," the measure could not be acted upon during the 1979 session, which

ended in September, but will be heard in interim committee in November and will go through the regular legislative process in the 1980 session. □

## Iowa News

Leslie H. Olson, president of the Toy National Bank, Sioux City, was elected president of the Iowa Bankers Association at the 93rd annual convention in Des Moines. He succeeds H. Rand Petersen, president of Shelby County State Bank, Harlan. Named vice president and president-elect was Edward L. Tubbs, president, Maquoketa State Bank, Maquoketa. L. C. "Bud" Pike, president, Farmers Savings Bank, Grundy Center, was elected treasurer for a two-year term. Details and pictures appear in the October NORTHWESTERN BANKER.

**ESTHERVILLE:** Bank Building Corp. will build an addition and relocate the drive-in for Iowa Trust & Savings Bank here.

**IOWA CITY:** Three members of Hawkeye Bancorporation's board of directors have contracted to purchase controlling interest in the Hawkeye State Bank here. Paul Dunlap, president of the holding company, W. A. Krause of Hampton and John Goodenow of Wall Lake will hold ownership in the bank while Hawkeye Bancorporation

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applies for regulatory approval. Terms of the cash acquisition were not released. John A. Krieger, formerly executive vice president and a director of First Federal State Bank, Des Moines, has been named president and chief executive officer of the \$23 million deposit Iowa City bank.

**MT. PLEASANT:** Controlling interest in Mt. Pleasant Bank & Trust Co. has been purchased by Gerald L. Nordbrock, owner and chairman of Exchange State Bank, Adair, Ia. Mr. Nordbrock's business headquarters are located in Cozad and Gothenburg, Neb. The Mt. Pleasant sale application was filed with federal and state regulatory authorities September 19 and awaits a decision from those bodies within 60 days. No changes in personnel are contemplated.

**SIOUX CENTER:** The First National Bank has opened an office at 705 N. Main Ave. here.

**WINFIELD:** Peoples State Bank here has increased its common capital from \$150,000 to \$200,000 by the sale of new stock.

### Nebraska News

**CLAY CENTER:** The Commercial State Bank here moved into a new bank building located at 102 S. Brown on September 10. The new building has about 3,400 square feet of space, compared to 1,300 square feet in the old building.

**GRETNA:** Construction has begun on a new building for the Gretna

State Bank. Completion is slated for April or May, 1980.

**KILGORE:** Kilgore Bancshares, Inc. has received consent from the Federal Reserve Board to become a bank holding company by acquiring the Farmers State Bank here.

**OMAHA:** The Mid Plains Chapter of the National Association of Bank Women is sponsoring a Management Process Seminar October 18-19 at the Old Mill Holiday Inn from 8 a.m. to 5 p.m. The seminar is geared toward the new, as well as experience, woman manager.

**OMAHA:** Tim Galvin has been promoted to auditor of Packers National Bank. He joined the bank in 1977 and has been working in the federal agency pool department.

**OMAHA:** The First National Bank of Omaha has received permission from the regional administrator of national banks to relocate an office from 13483 West Center Road to 2605 S. 133rd Plaza.

**O'NEILL:** Construction began September 1 on a two-story, 21,000 square foot new banking headquarters for the First National Bank. The new building will have 11,420 square feet of first floor banking area and 5,420 feet of banking area on the second floor, with 4,200 square feet additional on the second floor available for rental. A drive-in with four teller lanes will be attached to the main building, and parking for 42 vehicles will be available on the property. Construction is expected to take one year.

**OSMOND:** James Stratton will become president of the Osmond State Bank effective October 15. Mr. Stratton, vice president, will succeed Richard Adkins. Mr. Adkins will succeed his father, John B. Adkins, as chairman of the board. The senior Adkins will hold the title chairman of the board, emeritus.

**ROSELAND:** Gary Wrage, formerly executive vice president, has been elected president and chairman of the board of the Roseland State Bank. He succeeds James W. McBride, who is president of the First National Bank & Trust Co. in Aurora and president of the Nebraska Bankers Association. Mr. Wrage and Donald Schaffert

recently purchased Roseland State from Mr. McBride.

**SOUTH SIOUX CITY:** The Dakota County State Bank has received consent from the state department of banking and finance to establish a detached auxiliary teller office at 1000 W. Highway 20 here.

**VALENTINE:** Russell B. Foster has announced his retirement as vice president and cashier of the First National Bank here effective December 31. He joined the bank in 1956. Mr. Foster, plans to move to Geneva.

### Minnesota News

**GLENCOE:** Security Bank and Trust Co. (formerly Security State Bank of Glencoe) has received consent from the state department of banking to exercise trust powers. Orlan G. Grell has joined the staff as trust officer from the trust department of Merchants National Bank, Cedar Rapids, Iowa.

**MONTEVIDEO:** Myrt Starbeck has been promoted to cashier of the First National Bank in Montevideo. Mrs. Starbeck, who has been employed by the bank for 14 years, had been an assistant cashier since 1974.

**ST. CLOUD:** Recently promoted at the St. Cloud National Bank & Trust Co. were: Gloria Kotschevar and Karen Lunderby, instalment

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**NEW ISSUE**

**MOODY'S: Aa**  
**S & P: AA**

**\$4,405,000**  
**AMES, IOWA**  
General Obligation Corporate Purpose Bonds

Dated: October 1, 1979

Denomination: \$5,000

Both principal and semiannual interest (June 1 and December 1, first coupon due June 1, 1980) payable at the Office of the City Treasurer, Ames, Iowa.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT FEDERAL INCOME TAXES, IOWA FRANCHISE TAX AND ALL PROPERTY TAXATION IN THE STATE OF IOWA.

MATURITIES

|           |              |      |           |              |      |
|-----------|--------------|------|-----------|--------------|------|
|           | <u>6.00%</u> |      |           | <u>6.50%</u> |      |
| \$100,000 | June 1, 1981 | 5.50 | \$300,000 | June 1, 1992 | 5.75 |
|           | <u>6.70%</u> |      |           | <u>5.85%</u> |      |
| 100,000   | June 1, 1982 | 5.50 | 300,000   | June 1, 1993 | NRO  |
|           | <u>7.00%</u> |      |           | <u>5.90%</u> |      |
| 100,000   | June 1, 1983 | 5.50 | 300,000   | June 1, 1994 | NRO  |
| 100,000   | June 1, 1984 | 5.50 |           | <u>5.95%</u> |      |
| 100,000   | June 1, 1985 | 5.50 | 500,000   | June 1, 1995 | NRO  |
| 105,000   | June 1, 1986 | 5.55 |           | <u>6.00%</u> |      |
| 200,000   | June 1, 1987 | 5.55 | 500,000   | June 1, 1996 | NRO  |
| 200,000   | June 1, 1988 | 5.60 | 200,000   | June 1, 1997 | NRO  |
| 300,000   | June 1, 1989 | 5.60 | 200,000   | June 1, 1998 | NRO  |
| 300,000   | June 1, 1990 | 5.65 |           | <u>.05%</u>  |      |
| 300,000   | June 1, 1991 | 5.70 | 200,000   | June 1, 1999 | NRO  |

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

Ames is located in Story County in central Iowa approximately 32 miles north of Des Moines. The City was incorporated in 1869, and has experienced a steady pattern of growth. The population of Ames is presently estimated at 46,796, up from 39,505 in the 1970 Census. Major employers located in Ames and their approximate work forces are as follows: Iowa State University (22,800 students, 7,050 employees); Sundstrand Corporation (hydro-transmission, 1,080 employees); Iowa Department of Transportation (headquarters, 1,000 employees); City of Ames (1,000 employees); Ames Community School District (625 employees); Bourns, Inc. (electronic equipment, 615 employees); U.S. Department of Agriculture (600 employees); 3M Company (abrasives, 475 employees); and Hach Chemical Company (water analysis equipment, 400 employees). There are three banks located in Ames with total deposits in excess of \$145,442,000.

These bonds are being issued under the provisions of Division III, Chapter 384, Code of Iowa, 1979, as amended, for the purpose of providing a portion of the funds necessary to construct various improvements in the City. These improvements include construction of a steam line from the City Municipal Electric Utility to Mary Greeley Memorial Hospital, construction of a fire station, construction of certain street improvements and to purchase firefighting equipment (a new truck). In the opinion of counsel, these bonds are legal and binding general obligations of Ames, Iowa, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of and interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

|  |                                    |
|--|------------------------------------|
| Actual value of taxable property, 1978     | \$477,073,678                      |
| Assessed value of taxable property, 1978   | 409,219,871                        |
| Direct debt, including this issue          | 12,805,000                         |
| Net direct debt, excluding self-supporting | 9,373,000                          |
| Total net direct debt and overlapping debt | 12,615,688                         |
| Population, 1978 estimate: 46,796          |                                    |
|  | Direct debt per capita: \$273.63   |
|  | Net direct debt per capita: 200.29 |
|  | Total debt per capita: 269.59      |

Tax collections have approximated 100.3% of taxes levied for the last seven years.

We own and offer subject to prior sale and change in price and subject to our attorney's approving opinion:

The information contained herein is not guaranteed, but is derived from sources we deem reliable and is that on which our purchase of these bonds was based. Offered subject to prior sale and change in price.





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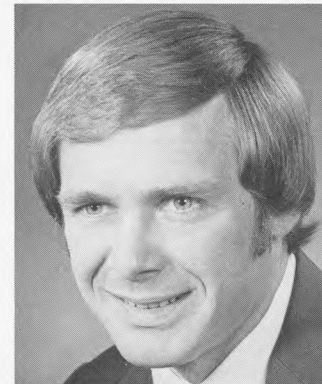
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loan officer; Dotty Schmit, real estate loan officer, and Elna Braun, assistant manager-Northway office.

ST. PAUL: Continental Banksystem, Inc. here has received consent from the Federal Reserve Board to become a bank holding company by acquiring St. Anthony Park State Bank.

ST. PAUL: M.S.B. Agency, Inc. here has received consent from the Federal Reserve Board to become a bank holding company by acquiring the Minnesota State Bank of St. Paul.

ST. PAUL: The Otto Bremer Company here has received consent from the Federal Reserve Board to acquire the following Wisconsin

banks: Union State Bank, Amery; Peoples State Bank, Colfax; Farmers State Bank, Frederic, and the Washburn State Bank, Washburn.

### Illinois News

The Illinois Bankers Association is sponsoring Teller-Staff Conferences at seven cities throughout the state beginning the middle of October. The full-day conferences are scheduled for: October 16, Continental Regency, Peoria; October 17, Emerald Hill Country Club, Sterling; October 18, Sheraton Oakbrook; October 23, Ramada Inn, Champaign; October 24, Holiday Inn East, Springfield; October 25, SIU Student Center, Carbondale, and October 30, Holiday Inn, Decatur.

These conferences are designed for the entire bank staff. Check frauds and forgery, communicating in business, swindles, problem customers and endorsements will be the areas covered from 8:30 a.m. to 4 p.m.

CHICAGO: Directors of LaSalle National Bank have elected Edward R. Grant as chairman and Thomas J. Wageman as president. Both previously were executive vice presidents. They will now act as the bank's principle executive officers. Harrison I. Steans, formerly chairman of LaSalle, now will be chairman of the investment committee. James G. Costakis, formerly president, will continue as chairman. Milton F. Darr Jr., continues as vice chairman. Four directors and officials of Algemene Bank Nederland N.V. (ABN), the Netherlands bank which recently purchased LaSalle, have been added to LaSalle's directorate. Among officer changes announced later by Mr. Grant and Mr. Wageman was the promotion to senior vice president of Hill Hammock, who heads the correspondent banking and secured lending divisions.

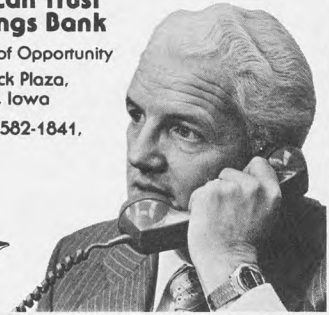
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### South Dakota News

BRANDON: Incorporators of the proposed Farmers and Merchants Bank at Brandon have filed a charter application with the state division of banking and finance.

LYONS: Gary Rosemore has been named executive vice president, managing officer and a director of the Farmers State Bank here. He joined the bank in 1975 and began his banking career in 1971.

SIOUX FALLS: Douglas J. Hajek has been elected an assistant vice president in the real estate mortgage loan department of Western Bank here.

TRIPP: K. Jon Klatt has been appointed executive vice president of the Dakota State Bank here. He represents the fourth generation of the Klatt family to serve in an executive capacity at the bank and was formerly associated with a bank in Englewood, Fla.

### Montana News

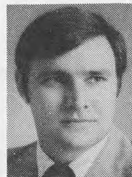
BILLINGS: Mike Varone has been elected an instalment loan officer of Midland National Bank of Billings. He joined the bank in 1976 and will now have responsibilities for direct consumer lending.

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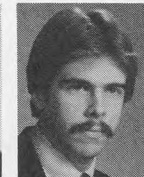
Jim McLaughlin  
Bond Officer  
234-2673



Tony Pougoulatos  
Asst. Vice President  
234-2647



John Henderson  
Vice President  
234-2463



Rusty Reese  
Bond Representative  
234-2674

**HELENA:** Timothy J. Healey has been elected president and chief executive officer of the First Trust Company of Montana. Most recently senior vice president and trust officer of the company, he succeeds Bruce R. Thomson who retired August 31.

### North Dakota News

**BISMARCK:** Lewis Wilson has been promoted from assistant vice president to vice president in charge of the commercial loan division of the Bank of North Dakota. He joined the bank in 1976.

### Colorado News

**BOULDER:** Affiliated Banks of Colorado, Inc. here and First Plaza Co. have announced an agreement in principle for a merger which will make the \$49.9 million deposit First National Bank, Westminster, Affiliated's 19th subsidiary bank. Affiliated will pay \$2.8 million cash, adjusted for subsequent changes in liabilities, plus 145,000 shares of its common stock for the one-bank holding company. The estimated value of the transaction is over \$6.5 million. The agreement is subject to the approval of both boards of directors, First Plaza shareholders and regulatory authorities.

### Wyoming News

**CASPER:** Joe Mangum has been elected senior vice president of First Wyoming Bank-Casper.

**GREYBULL:** Stephen W. Brodine has joined the First National Bank of Greybull as executive vice president and trust officer. Thelma Kost has been promoted to vice president of the commercial loan department and Verne Sorheim, assistant vice president, is manager of the real estate loan department. Randy Royal has joined the bank as assistant trust officer and consumer compliance officer.

**RAWLINS:** Douglas Krogh has been appointed president of the Wyoming Bank of Rawlins. Walt Akin was named assistant vice president and head of the instalment loan department. Both were formerly with the Wyoming National Bank of Casper. Mr. Krogh succeeds Henry Hewitt as president, who resigned to pursue other business interests.

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**Agricultural and Commercial Loan Officer** position open for person with experience. Please send resume to J.H. Hanson, The Security State Bank, Box 1231, Polson, Montana 59860. (PA)

90mm bank in north central Iowa belonging to a multi-state holding company looking for an aggressive marketing officer. Prefer a creative and goal oriented person with a marketing or related degree and 1-3 years marketing experience. Excellent benefits, salary negotiable, opportunity for growth and development. Write file HBL, c/o Northwestern Banker. (PA)

Northwest Iowa county seat bank of over \$40 million seeks experienced commercial loan officer. Salary open. Send resume in confidence to file HBH, c/o Northwestern Banker. (PA)

Position for senior vice president with 3-5 years minimum experience in commercial and real estate loans. MBA preferred. Salary commensurate with experience. Position is open in \$165 million eastern Iowa bank. Send resume to file HBK, c/o Northwestern Banker. (PA)

Out-state Nebraska bank of over \$50 million in assets needs experienced operations officer. Please send resume to file HBS, c/o Northwestern Banker. (PA)

Immediate position for installment loan officer/manager of \$8 million department in NE Nebraska. Send resume and salary requirements to file HBT, c/o Northwestern Banker. (PA)

### FOR SALE

2 Burroughs wide carriage adders and Cummins Model 300 perforator. All in good condition; \$100 each. Call (712)644-2310. (FS)

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### POSITION WANTED

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**OPERATIONS OFFICER**—Need bank background with supervisory experience. \$20,000.

**BRANCH CASHIER**—In charge of all operations. \$16,000.

**LENDING**—Work in all areas of Illinois bank. \$13,000.

**TRUST OFFICER**—3MM department in South Dakota. \$21,000.

**MARKETING OFFICER**—Iowa bank needs strong marketing person. \$20,000.

**AG LENDER**—Good opportunity in Montana bank. \$13,000.

**ASST. CASHIER**—New position, experience important. \$13,000.

**COMMERCIAL LOAN OFFICER**—Must have large bank experience. \$35,000.

**CEO**—23MM S&L in South Dakota. \$25,000.

**MORTGAGE LOAN OFFICER**—FHA, VA & construction experience needed. \$24,000.

**INVESTMENT PORTFOLIO MGR.**—Large Illinois bank. \$18,000.

**INSTALLMENT LENDING**—Iowa bank, 2 years experience needed. \$16,000.

**VP COMMERCIAL**—Strong commercial experience needed. \$28,000.

**AG LOAN OFFICER**—3 years experience needed. Lite travel. \$18,000.

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### BANKERS WANTED

for Midwest & North Central States

**TRUST HEAD**—Must hold first or second position in large trust department at present. Law degree required. . . . . 30/35

**C.E.O.**—Strong in marketing and lending for 25 mill. suburban bank. . . . . 30/35

**JUNIOR INVESTMENTS**—Company and industry analysis experience required for this junior spot. . . . . 16/18

**OPERATIONS**—Take charge of reports and supervision in 40 mill. suburban bank. . . . . 24/28

**TRUST**—Manager for small department in Oklahoma. Prefer rural type with some loan experience. . . . . 23/26

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