

NORTHWESTERN Banker Newsletter

Vol. 10 No. 4

Des Moines, Iowa

May 18, 1981

Competition Increases in Banking World

A SERIES of events directly affecting commercial banks, most of them occurring outside the stream of daily banking activities, has developed in recent weeks. Both Visa and MasterCard International have announced plans to launch a nationwide network of ATMs, Prudential Insurance Company has announced it is buying Bache Group, Inc., the nation's second largest investment firm, and American Express countered within a few days with the startling announcement that it intends to purchase Shearson Loeb Rhoades, Inc., another major investment firm.

All of these developments contributed to the mounting animosity developing between banks and non-bank competitors, between major banks and regulatory authorities who will not give them needed permission to compete in the market to retain their business that is slipping through their fingers, and between community banks and the rest of the business world that appears determined to leave them in the lurch. These were the major developments:

Visa U.S.A.

VISA U.S.A. roundly denounced American Express for its announced intent to purchase Shearson Loeb Rhoades, with Visa President Dee Hock telling his 3,000 member banks

they should "consider American Express a competitor rather than a partner." He also said Visa plans to offer a money market mutual fund to its membership through a securities firm, or its own subsidiary, with funds to go back into bank CDs to keep them in banks from which they would otherwise be drawn. A premium card is being developed by Visa which would access the fund for such customers.

Visa also plans to offer members a new Loss Control Service that is expected to reduce significantly the cost of fraud and credit losses incurred by members on their Visa card programs. The test project will start a year from now in April, 1982, and be operational by June, 1982. Mr. Hock said Visa is planning a nationwide ATM exchange through member banks. Visa volume rose 20% in 1980 over 1979 to \$45.7 billion, with U.S. volume up 5% to \$29.3 billion. Travelers cheque sales have grown to \$2.3 billion, with \$1 billion of the sales in the U.S.

MasterCard

MasterCard International plans to initiate a nationwide network of ATMs on a research and development basis in November of this year. MasterCard's first travelers cheque was sold March 31 and there are 28 financial institutions now participating as issuing banks. The issuing

institution keeps the entire float and commission.

Prudential

Prudential's announcement about buying Bache Group, Inc., caught the financial industry by surprise. This would give Prudential a full line of financial products aimed at customers earning at least \$35,000 a year. This would include a cash management account (probably tied to a plastic card) as well as life insurance, a single statement insurance account with prepaid premiums getting interest and being accessible, a money market mutual fund, investment in stocks and bonds, and a full family financial account.

Prudential says 7,500 of its 25,000 agents are registered NASD representatives and 2,000 of Bache's 3,000 account executives are licensed insurance agents.

American Express

American Express intentions to buy Shearson Loeb Rhoades stunned the banking industry. AE's C.E.O. James Robinson said, in reply to the negative statement by Mr. Hock and the latter's letter to Visa bank members that "Nobody should lose sight of the fact that the original cash management account was brought to the market through the efforts of three participants: a brokerage house, a bank, and Visa. Since then, at least one more brokerage house has



ASK DALE FROEHLICH

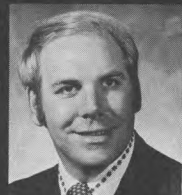
to make MNB work for you.

Toll free: 1-800-332-5991

Merchants National Bank 

Member F.D.I.C.

A 'BANKS OF IOWA' BANK



Gary McClimen

Teamwork: One of the reasons we're first in Iowa.

IOWA
Des Moines
NATIONAL BANK

Member FDIC

An Affiliate of Northwest Bancorporation **BANCO**
Call (515) 245-3131 or toll-free (800) 362-2514



Bernie Kersey

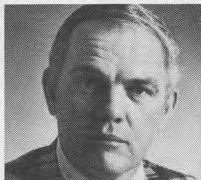
announced a similar product, again with a Visa card as the underlying payment instrument. If Visa is not the father of the CMA type account, it certainly qualifies as a supportive midwife."

American Express would operate Shearson Loeb Rhoades as a separate subsidiary, just as it does its other present subsidiaries. It plans a CMA account with its Gold card, offering a distinct advantage to customers of other similar accounts because with the Gold card the customer would not be billed for 30 days—a big float period. American Express also plans nationwide ATM testing for cash withdrawals with its Gold cards, and also offers accessibility as an added feature.

Merrill Lynch

In the meantime, Merrill Lynch's Cash Management Account, initiated in 1977, continues to offer a margin account with a money market mutual fund that permits unlimited check writing, accessed by a Visa card. There are now 250,000 account holders of a CMA who pay a \$20,000 minimum entry in cash and securities, and an annual minimum fee of \$28.00. □

Grow with this pro!



Dick Muir

**UNITED MISSOURI BANK
OF KANSAS CITY, N.A.**

10th and Grand • Kansas City, Mo.
816-556-7903

Member FDIC

Iowa News

BAYARD: More than 500 persons toured the enlarged and remodeled facilities of the Farmers State Bank recently.

CORALVILLE: John "Jack" Brown, senior vice president and trust officer at First National Bank of Ottumwa, has been named chief executive officer of UNIBank and Trust Company.

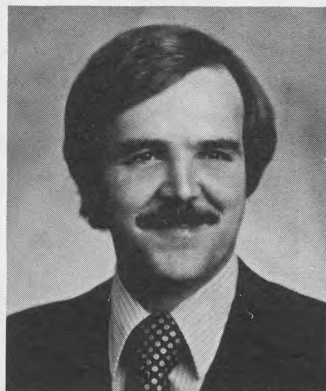
DAVENPORT: William F. Siegle, 83, retired vice president of Davenport Bank & Trust Co., died recently.

ELMA: Andrew R. Gentle, 28, has joined the Peoples Sav. Bk. as ag rep. He was formerly with the PCA in Greenfield. He is a graduate of Iowa State University.

KEOKUK: Robert Chamberlain II has been elected vice president-operations of the Savings Bank & Trust Co. He joined the bank two years ago.

MANILLA: Gary L. Woods, president, Manilla State Bank, has announced that Walter W. Stege, sr. vice president, has been appointed a director. Mr. Stege replaces Charles Barrow.

OTTUMWA: David L. Griffin has been promoted to vice president of Union Bank & Trust Co. Mr. Griffin joined the bank in 1965 as a programmer.



**We're people you can
turn to for investments.**

For investment services, data processing, ag lending and overlines . . . we're the people you can turn to.

**We're more than western Iowa's largest bank.
We're people.**

Stephen J. Hatz
Vice President
712/277-6526



SECURITY NATIONAL BANK

IN SIOUX CITY, IOWA. MEMBER F.D.I.C.

© 1980 Security National Bank

PARKERSBURG: Subject to regulatory approval, Peoples Bancshares, Ltd., Waterloo, has entered into an agreement for the purchase of the Parkersburg State Bank.

Nebraska News

W.W. Cook, Jr., president, Beatrice National Bank and Trust Co. was elected president of the Nebraska Bankers Association at the 84th annual convention in Lincoln. Harold Stuckey president, Lexington State Bank & Trust Co., was named president-elect to take office in 1982.

* * *

BY A VOTE of 26-21, with two not voting, the Nebraska legislature on May 12 advanced to select file the Multi-Bank Holding Company bill supported by several major banks in the state, but opposed by the Nebraska Bankers Association and the Independent Bankers of Nebraska. It probably will be taken up Tuesday, May 19, as the legislature moves toward its goal of adjournment next week.

As amended, the bill would authorize each Nebraska bank to have four full-service branches city-wide by 1982. They presently may have two limited facilities. Holding companies could acquire up to nine banks by the end of 1988, including the main bank. Northwest Bancorporation, which owns United States National Bank of Omaha and four other banks in the state, would be delayed from any further acquisitions until January 1, 1983; thereafter, it could acquire one each year up to the maximum, so it could have a total of nine as early as 1986.

All other MBHCs would be allowed to acquire three additional banks by January 1, 1983, then one per year thereafter to the maximum of nine by 1988. There is no provision for anything beyond 1988 at this time. A further stipulation limits each MBHC to no more than 10% of the



NEW ISSUE

SALE DATE: May 13, 1981

\$2,900,000
MOODY'S: Requested
IOWA VALLEY COMMUNITY COLLEGE DISTRICT, IOWA
Merged Area VI (Marshalltown and Iowa Falls)
Capital Loan Notes

Dated: June 1, 1981

Denomination: \$5,000

Both principal and semiannual interest (June 30 and December 31, first coupon due on December 31, 1981) payable at the offices of Bankers Trust Company, Des Moines, Iowa.

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

MATURITIES

	<u>9.70%</u>				<u>9.375%</u>	
\$165,000	June 30, 1982	8.00		\$330,000	June 30, 1988	9.00
	<u>10.00%</u>				<u>9.10%</u>	
200,000	June 30, 1983	8.20		355,000	June 30, 1989	9.10
225,000	June 30, 1984	8.40			<u>9.25%</u>	
245,000	June 30, 1985	8.60		390,000	June 30, 1990	9.25
270,000	June 30, 1986	8.75			<u>9.40%</u>	
295,000	June 30, 1987	8.90		425,000	June 30, 1991	9.40

LEGALITY TO BE APPROVED BY AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, ATTORNEYS, DES MOINES, IOWA

Iowa Valley Community College District includes all or portions of Butler, Franklin, Grundy, Hamilton, Hardin, Jasper, Marshall, Poweshiek, Story and Tama Counties, Iowa. The Cities of Marshalltown and Iowa Falls, forty other cities, and twenty-one school districts are within the boundaries of Merged Area VI School District. The population of the District is presently estimated at 107,498 and the land area is 1,679,936 acres.

Merged Area VI School District was founded in March, 1966, pursuant to Chapter 280A, Code of Iowa, as amended. The boundaries of the District were established by action of the County Boards of Education with the approval of the State Board of Education. The State of Iowa, following this legislation, was divided into fifteen Area Educational Agencies with identical boundaries to fifteen merged area schools. The legislative purpose was to provide for area vocational schools and area community colleges. Iowa Valley's main campus is located in Marshalltown, Iowa, on a 205 acre campus. The Fall 1981 estimated enrollment is 2,546. In addition, there were 19,882 students enrolled in the twenty-one school districts included in the Iowa Valley Community College District, Iowa.

These notes are being issued under the provisions of Section 280A, Code of Iowa, 1981, as amended, for the purpose of paying the cost of constructing additional main campus facilities. The voters have authorized a levy of taxes in the amount of 20.25 cents per thousand dollars of assessed value for ten years through June 30, 1991. In the opinion of counsel, these notes are valid and legally binding upon Iowa Valley Community College District, Iowa—Merged Area VI—in accordance with their terms, and all taxable property located therein is subject to the levy of taxes to pay the same, unless paid from other sources.

FINANCIAL STATEMENT

Assessed value taxable property, 1980	\$2,423,734,384
Net direct debt, including this issue	2,900,000
Total direct, overlapping and underlying debt	27,641,500
Population, 1981 estimate: 107,498	Net direct debt per capita: \$ 26.98
	Total debt per capita: 257.14
Area: 1,679,936 acres	Net direct debt per acre: 1.73
	Total debt per acre: 16.45

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 are based. Bonds of a particular maturity may or may not still be available or may now be available at a price or yield different from that indicated above.

CALL ON THE "PERFORMANCE TEAM"

where common transactions are handled uncommonly well.



FIRST NATIONAL LINCOLN

13th & M Street • Lincoln, Nebraska 68501 • Member, F.D.I.C.

total deposits of all banks and savings and loans within the state. The banks at 1980 year-end, had \$9,582,591,000 in deposits, according to the Nebraska Bank Directory.

No bank may be acquired until it has been established at least five years.

The NBA will move for amendment of the bill to three full-service facilities within the home city, and to strike the MBHC enabling clause. Sen. John DeCamp of Neligh and Sen Loran Schmit of Bellwood are the sponsors. The 26-21 vote, although not reflecting how the final bill will be voted on, reflects substantial strength. National Bank of Commerce, which previously did not support the bill, is technically neutral but says the objections have been removed. First National Bank and Trust Company of Lincoln changed its previous position and now supports the bill, with President Bill Smith stating he fears the opportunity to open city-wide service facilities would die with LB 376 if it is killed.

FULLERTON: Julian M. Brower, 93, president of Fullerton National Bank from 1920 until 1956, died recently in California.

YORK: Jim Nixon has joined the York State Bank & Trust Co. as assistant vice president and trust officer.

Minnesota News

GREEN ISLE: Robert A. Durbin has been appointed vice president-manager of the Citizens Insurance Agency and vice president of Citizens State Bank.

CROSBY: First National Bank has announced the promotion of Larry Pater from assistant vice president to

vice president-instalment lending. Mr. Pater joined the bank in 1961.

MENDOTA HEIGHTS: An application by Dakota County Bancshares, Inc., to become a banking holding company by acquiring Dakota County State Bank, has been denied.

ORTONVILLE: Mike Loken has joined Tri-County State Bank as executive vice president.

Colorado News

DENVER: United Banks of Colorado, Inc. has received Federal Reserve Board approval for a new bank in Arapahoe County. Gary J. Roberts has been appointed president of United Bank of Arapahoe. Mr. Roberts is now a vice president of United Bank of Arvada. The new bank will be opened in a temporary facility. Construction on the permanent building is expected to commence in midyear with the official opening scheduled for early 1981.

South Dakota News

Nels E. Turnquist, chairman and C.E.O., National Bank of South Dakota, Sioux Falls was elected president of the South Dakota Bankers Association last week in Sioux Falls. Dean O. Mehlhaff, president, Eureka State Bank, was advanced to first vice president. Charles W. Ekstrum, president First National Bank, Philip, was elected second vice president.

LYONS: Claude L. Huard has been named vice president and managing officer of Farmers State Bank. He was previously with an affiliate bank in Wisconsin.

MITCHELL: John G. Olson has been elected vice president of

operations and planning at First Mitchell National Bank. Mr. Olson joined the bank in 1979 as auditor.

North Dakota News

NORTHWOOD: The Northwood State Bank celebrated its 50th anniversary with an open house recently.

Illinois News

CICERO: The \$123.5 million-deposit First National Bank has announced plans to buy the \$42 million-deposit Cicero State Bank, converting Cicero State into a limited service facility. If the merger is consummated, the two suburban Chicago banks would form a \$200 million institution, becoming one of the largest in the west suburban area.

GET THE COMPETITIVE EDGE over savings and loan, credit unions, etc.

This "on-premise" system gives you complete independence, competitive flexibility and control.



Get tighter instantaneous reporting in every phase of your operation. At the same time reduce your operating costs.

A program for your every need — and more. The best banking system in the industry.



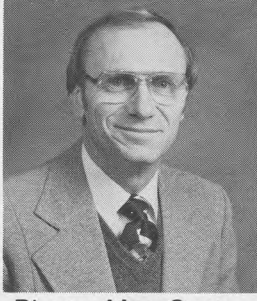
Modern Banking Systems, Inc.
6818 Grover St.,
Omaha, Nebraska 68106
(402) 392-0151

Single System Banking With Availability

Availability of funds . . . availability of people . . . responsive to your needs.

National Bank of Waterloo

Waterloo, Iowa 50704 Member FDIC



Phone Max Cory at 1-800-772-2411.

— WANT ADS —

Rates are \$5.00 per line per insertion. Add \$3.00 for file letters per insertion. Identity of file letter advertisers cannot be revealed.

Northwestern Banker
306 - 15th Street
Des Moines, Iowa 50309

Estate Appraisals

Purchase of Collections

Sale of Rare Coins

Reliable and respected service for over 20 years

Used by bankers throughout the midwest

Ben E. Marlenee Coins

913 Locust
Des Moines, Iowa 50309
515-243-8064

BANKING PLACEMENTS

"Successful Banking is Quality Personnel"

Eighteen years banking experience serving as president of rural and metropolitan banks enables me to find the "right" banking position for you as a banker or the "right" officer for your bank.

DON SCHOOLER JR.

AND ASSOCIATES
901 A. West Jackson
Ozark, Missouri 65721
417/485-6020

COMPLETELY CONFIDENTIAL

Holder and Associates

Bank Consultants

Specializing in Bank Acquisitions
515-232-0814

P.O. Box 450 405 Main Ames, Iowa 50010

DONALD E. HOLDER, Principal

SERVING PROFESSIONALLY

Banking, Financial & Business Personnel Iowa and Nationwide

CAPITAL PERSONNEL SERVICE

714 Central National Bldg. 515-283-2545
Des Moines, Iowa 50309



BANKERS PARTICIPATING

LeasePlan, Inc.

545 - 31st Street Des Moines, Iowa 50312

R. L. "DICK" SELLON

North Carolina Locating & Recovery Service

Statewide—Since 1922

HOME DETECTIVE COMPANY, INC.

Administrative Offices • 110 South Walnut Circle • Greensboro, NC 27409

Field Divisions:

Asheville • Charlotte • Durham • Raleigh • Fayetteville • Jacksonville • Rocky Mount • Tabor City

[919] 299-1641

Bonded • Dependable

59th Year

Licensed • Trustworthy

- I would like to sell my majority bank stock.
- I would like to buy majority bank stock.

Please Contact: J. Mason Henry

Charles E. Walters Co., Inc.

39 Ginger Woods Road, Valley, Nebraska 68064
Phone: (402) 553-6400

WANT TO BUY

Individual wants to acquire Iowa or Neb. bank. Contact in confidence: Mike Keim, 9916 Fieldcrest Drive, Omaha, NE 68114, phone 402/393-8160. [WTB]

Want to purchase bank on contract. Responsible individual seeking to purchase controlling shares in a \$5-15 MM bank located in a good ag community in Iowa. Send replies to file NBG, c/o Northwestern Banker (WTB)

POSITION AVAILABLE

POSITIONS AVAILABLE

- Manager for new Eastern Iowa bank. Must have ag background \$25,000
 - Second Person for N.W. Iowa bank \$25,000
 - Ag Rep with two or three years experience wanted by eastern Iowa bank \$20,000 up
 - Number Two Person, strong in ag lending for Western Nebraska bank \$26,000
 - CEO for \$10 million western Illinois bank. \$26,000
 - Ag Loan officer for Indiana bank. Fine opportunity \$23,000 up
- Write or phone Malcolm Freeland, Freeland Financial Service, Inc., 306 - 15th Street, Des Moines, Iowa 50309. Phone (515) 244-8163. Employer pays fee.

POSITION WANTED

POSITIONS WANTED

- Commercial Loan Officers with 3 to 20 years experience seek new opportunities \$20,000 up
 - CEO of community bank wants greater challenge. Will consider number one or two position \$30,000
 - Office Manager with well rounded operations experience seeks new opportunity in Iowa. \$23,000
 - Operations Officer with solid experience seeks new opportunity \$24,000
- If your bank needs a qualified officer, we have many more applicants in a wide range of experience. Call: Malcolm Freeland, Freeland Financial Service, Inc., 306 - 15th Street, Des Moines, Iowa 50309. Phone (515) 244-8163. Employer pays fee.

FOR SALE

Burroughs L6000 posting machine. Excellent. Grafton State Bank, Grafton, NE 68365. Phone (402) 282-7212. (FS)

Burroughs S-1000 12 pocket proof machine. Like new. Townner County State Bank, phone (701) 968-4421. (FS)

13 Burroughs Model No. 1010361 teller machines, 2 Model No. 1010381 teller machines, and 13 narrow carriage Burroughs Adding Machines (serial numbers P3003905-P6063215). Contact Diane Hanna at First National Bank, Fort Dodge, Iowa 50501. Phone (515) 576-6811. (FS)

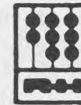
2 Diebold Model No. 6600 rotary check files and trays. \$375 each. Contact Diane Hanna at First National Bank, Fort Dodge, Iowa 50501. (515) 576-6811. (FS)

Ten Burroughs Series "P" teller machines. Phone Valley Nat'l Bk., Hillcrest Br., (605) 334-1392. (FS)

PARTIAL LIST OF AVAILABLE APPLICANTS

- V.P. LENDING - 5 yrs ag and commercial lending for 50 mm rural bank. Has the energy that makes exceptional business development skills. \$28,000.
- V.P. CASHIER - Heavy bank operations and data processing systems exp in large bank environment. Could function as DP Mgr or Cashier. \$32,000.
- V.P. INSTALLMENT LENDING - Varied responsibilities in Ag and consumer lending as well as operations and investments. Stable background. Has insurance licenses. \$20,000.
- V.P. OF LENDING - Well rounded lending experience with emphasis in commercial, including extensions in the six figure range. Other lending exposure includes SBA, installment and Real Estate loans. High image. \$28,000.

ALL FEES COMPANY PAID. FOR FURTHER INFORMATION RESPOND IN CONFIDENCE TO:



Bank Division
ROBERT HALF of Iowa, Inc.
317 6th Ave.
Des Moines, IA 50309
(515) 244-4414

ALL FEES COMPANY PAID

Ag Banking Specialists SINCE 1968

When it comes to agriculture, banking and personnel... go to the specialists — go to **AGRICAREERS, INC.**

Progressive bankers pay us to find the people they need.

AG LOAN OFFICER/INS. MGR	IA	\$15-20,000
2ND MAN IN SMALL BANK	NE	\$15-22,000
ASST. V.P./BRANCH MGT.	IA	\$18-22,500
INSURANCE MANAGER	NE	\$18-19,000
SALES & MKTG. REP.-FINANCE	NY	\$20-25,000
COMMERCIAL LENDING OFFICER	IA	\$15-16,000

Ask our banking specialist, Linda, what's available without cost or obligation.

(515) 394-3145
NEW HAMPTON, IA 50659

agri CAREERS, INC.
THE ORIGINAL AGRICULTURAL RECRUITER

POSITIONS AVAILABLE

- AGRILOAN - primary duties involve financing for cattle, crop and agribusiness firms. Excellent opportunity to advance. \$25,000
- SECOND OFFICER - new charter in suburban area of large midwest city. Prefer comm'l loan and business development background. \$30,000
- COMMERCIAL LENDER - major midwestern bank with assets in excess of \$1 billion desires experienced commercial lender. Work primarily with national accounts. \$40,000
- OPERATIONS/AUDIT - prefer degree and 2-4 yrs. bank experience. Opportunity to understudy for second position in \$40MM bank. \$20,000
- EXEC. VICE PRES. - successful candidate will be well experienced commercial lender (7 figure credits) with proven record of new business development. Suburban \$50MM bank. \$40,000
- CREDIT ANALYST - step into a junior commercial loan position with a large metro area bank; 2-3 yrs. formal credit analysis experience required. \$22,000
- INSTALMENT LENDER - bank or finance company experience desired. Bank is located in a quickly growing energy area in a Rocky Mountain state. \$50,000

All inquiries confidential. Please forward resume and salary history to:

TOM HAGAN & ASSOCIATES
of Kansas City

P.O. Box 12346, 2024 Swift
North Kansas City, MO 64116
816/474-6874

"Serving the Banking Industry Since 1970."

Vol. 10 No. 4 Northwestern Banker Newsletter [USPS 873-300] is published weekly by the Northwestern Banker Company, 306 Fifteenth Street, Des Moines, Iowa 50309. Subscriptions \$1.00 per copy, \$15.00 per year. Second class postage paid at Des Moines, Iowa. Address all mail subscriptions, changes of address [Form 3579], manuscripts, mail items to above address.