

NORTHWESTERN Banker Newsletter

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April 12, 1982

Humboldt Bank Fails; New Bank Opens

AFTER a fast-moving series of events traced by federal authorities to the actions of Gary Lewellyn, a 33-year old Des Moines securities broker, the First National Bank of Humboldt, Ia., was closed on Friday, April 2 by the FDIC. During the weekend, FDIC made known its intention of liquidating the bank, then later announced it would accept bids from other banks to keep First National open. Following a late Monday night agreement, the FDIC announced that Hawkeye Bancorporation of Des Moines had paid FDIC \$2.1 million and was assuming the bank's assets as well as liabilities other than those connected with the specific shortage. The bank then was opened under a new state charter as Hawkeye Bank and Trust on Tuesday morning, April 6.

A Hawkeye spokesman said the holding company's offer provided for the immediate formation by Hawkeye of the new bank with \$3,000,000 of capital and an additional payment to FDIC of up to \$2,100,000 as well as indemnification against undiscovered contingent liabilities. The FDIC agreed to restore a net of about \$10.5 million missing from the bank as a result of the alleged misuse of securities by Gary Lewellyn.

Hawkeye President Paul Dunlap

said the transaction was completed immediately "in order to keep the bank open, thereby avoiding depositor losses and other serious problems. The primary concern of everyone is to protect the community and the customers of the First National Bank against loss. We have officially advised Iowa's congressional delegation, the governor and bank regulatory agencies that, with the help of the FDIC, this will be accomplished. The bank will be open for business on Tuesday and prepared to handle all banking transactions in a normal manner. The senior management and other resources of our company will be drawn upon to provide assistance to the bank."

Joe Dodgen, chairman of First National, owned 85% of the bank, worth \$3.6 million and stands to be the biggest loser, since it appears he and his family will lose all their equity in the bank.

Hawkeye already had been negotiating for some weeks with Mr. Dodgen for purchase of First National to become part of the Hawkeye holding company. Under the new state-chartered bank, Mr. Dodgen continues as chairman, Mr. Dunlap is president, and all other personnel continue the same.

Clifford H. Lewellyn, the father of

Gary Lewellyn, was president of the bank and a well-known Iowa banker. He was reported in a state of shock after the discovery of misappropriated securities was charged against his son. Gary Lewellyn's involvement in repeated purchases of stock of Safeguards Scientifics Inc., of King of Prussia, Pa., apparently led to the bizarre involvement of First National Bank's investment portfolio. The senior Mr. Lewellyn, with the approval of Mr. Dodgen, had opened a brokerage account with Gary Lewellyn's Des Moines broker-dealer firm, G.V. Lewellyn & Co. but had no knowledge of the missing funds until last week.

Gary Lewellyn apparently bought the interest on \$8.9 million of the bank's U.S. Governments and deposited them in an account at United Central Bank of Des Moines. Later, it is alleged, he sold some of these bonds to United Central on a routine sale but used the proceeds for his Safeguard purchases. Also, SEC alleges, he ran up multi-million accounts with noted securities firms in New York. The SEC investigation led down the back trails to the First National and its closing on April 2.

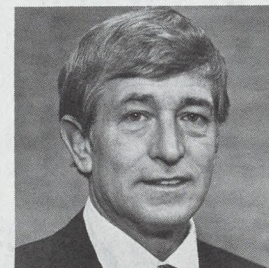
Gary Lewellyn is missing at this time, after picking up \$500,000 in \$100 bills at Continental Bank of Chicago after having those funds sent there by wire transfer. The FBI has a warrant out for his arrest. □

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Iowa News

"Accent on Management" will be the theme for the Iowa State Conference of the National Association of Bank Women, Inc., May 12-14 at the Marina Inn, South Sioux City, Nebraska.

Scheduled for May 13 is the keynote address "Winning Business Victories" presented by Jerry Simmons, president of Jerry Simmons and Associates. Afternoon workshops will cover several topics including: NABW-leadership styles, marketing, operations and loans & regulations.

May 14th's general session, "Competition in Today's Financial Market," will be presented by Thomas Nolan, "money educator" and president of the Nolan Financial

Corporation. Addressing the closing luncheon that same day on "Management for the '80's-Our Time Has Come," will be Marie C. Wilson, Iowa Bankers Association Human Relations Director.

Heading the conference will be Chairman, Wilma Weeks, correspondent bank operations officer, Security National Bank, Sioux City, and Vice Chairman/Program Chairman, Kay Stoterau, marketing officer, Northwestern National Bank, Sioux City.

DES MOINES: C. Robert Brenton, chairman of Brenton National Bank of Des Moines, announced April 1 that the bank will move its headquarters to the "Capital Square" complex currently under construction at 5th & Locust in downtown Des Moines. He said Brenton National also has applied to the Comptroller of the Currency for permission to merge the other two Brenton Banks in the city — Northwest Brenton National Bank in Beaverville and Brenton National Bank of South Des Moines — into the Brenton National Bank of Des Moines. In addition to the new downtown headquarters, officials also would be retained at present locations of each of the three banks. If approved, he said, the merger would become effective January 1, 1983. Headquarters of Brenton Banks, Inc., which owns the three banks and 15 other Iowa banks, also would move to the "Capital Square" complex by mid-1983. Total deposits of the three Des Moines banks at 1981 year-end were \$146,006, which would make it the 11th largest bank in the state.

STORM LAKE: The Commercial Trust & Savings Bank will be moving into its new facilities located at 600 Lake Ave., by April 26. On Tuesday, the 27th, the bank will hold an auction of all furnishings from the old building, with furniture available for inspection that morning. Proceeds from the sale will be

donated to local charities and groups already named. All furnishings purchased must be out of the existing temporary facilities by April 30.

Nebraska News

As he promised he would do, Gov. Charles Thone on April 1 vetoed LB 626, the multi-bank holding company bill which had passed the legislature by a vote of 25-22 just a week earlier. The bill would have allowed formation of multi-bank holding companies in Nebraska and authorized each of them to own up to 10% of all financial institution deposits in the state. It also would have allowed for establishment of two detached facilities within city limits.

In vetoing the bill, Gov. Thone stated, "In these times of excessively high interest rates and roller coaster financial conditions, it appears to me that this bill would permit a concentration of economic power in the hands of a few at the expense of our local communities.

"Now I repeat the advice offered nearly one year ago and repeated at the first of this session. 'The banking community of this state must make more effort to reach some degree of consensus regarding structure of the financial community and devote even greater attention to the large problems facing both the lenders and borrowers of Nebraska.'"

The legislature has until its final day, now scheduled for April 14, to



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What: name of secured party
When: the date the loan was filed with the Secretary of State
Where: location where loan made



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NEW ISSUE

MOODY'S: Aa

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

\$3,530,000

LA CROSSE, WISCONSIN

General Obligation Corporate Purpose Bonds, Series 1982

DATED: May 1, 1982

DENOMINATION: \$5,000

Both principal and semiannual interest (May 1 and November 1, first coupon due May 1, 1983) payable at the First Wisconsin Trust Company, Milwaukee, Wisconsin.

IN THE OPINION OF COUNSEL INTEREST ON THESE BONDS IS EXEMPT FROM ALL PRESENT
FEDERAL INCOME TAXES

MATURITIES

	<u>13%</u>			<u>11%</u>	
\$175,000	November 1, 1984	8.50	\$375,000	November 1, 1991	11.10
200,000	November 1, 1985	9.00		<u>11.20%</u>	
225,000	November 1, 1986	9.50	\$425,000	November 1, 1992	11.30
250,000	November 1, 1987	10.00		<u>11.40%</u>	
	<u>10½%</u>		\$475,000	November 1, 1993	11.50
\$275,000	November 1, 1988	10.25		<u>10½%</u>	
300,000	November 1, 1989	10.50	\$505,000	November 1, 1994	11.75
	<u>10¾%</u>				
\$325,000	November 1, 1990	10.75			

LEGALITY TO BE APPROVED BY CHAPMAN & CUTLER, ATTORNEYS, CHICAGO, ILLINOIS

LaCrosse is located in LaCrosse County in southwestern Wisconsin where the Black and LaCrosse Rivers flow into the Mississippi River approximately 300 miles northwest of Chicago, Illinois, and 150 miles southeast of Minneapolis-St. Paul, Minnesota. LaCrosse dates back to 1842 as the site of an Indian trading post and was incorporated as a city in 1856 as a lumbering and transportation center. Today the City is home for more than 48,000 persons, the major retail trade and wholesale distribution center in southwestern Wisconsin, a regional government and educational center, and the home of a variety of industrial concerns.

LaCrosse has become the major retail trading center in southwestern Wisconsin. The City includes more than 500 retail commercial enterprises located primarily in the downtown area and in shopping plazas. Major businesses in the City include: Trane Company; G. Heileman Brewing Company and LaCrosse Rubber Mills. The City is also the home of the University of Wisconsin at LaCrosse.

The proceeds of this issue will be used for the construction, repair or renovation of streets and alleys, sanitary sewers and storm sewers, water mains, parks and park buildings and school sites and buildings. In the opinion of counsel, these bonds are legal and binding general obligations of LaCrosse, Wisconsin, and all taxable property located therein is subject to the levy of sufficient taxes to pay the principal of an interest on the bonds without limit as to rate or amount.

FINANCIAL STATEMENT

Equalized valuation, 1981-82	\$1,060,830,350.00
Assessed valuation, 1981-82	907,653,387.00
Direct debt, including this issue	36,576,577.00
Total direct, overlapping, and underlying debt	41,521,508.00
Population: 1980 Federal Census:	48,347
Direct debt per capita:	\$756.54
Total debt per capita:	\$858.82

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.

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consider an override of the veto, which would take 30 votes to override.

* * *

The Nebraska Bankers Association's Annual Convention is scheduled for May 5-8, at the Holiday Inn Central, Omaha, with the complete program schedule featured in the April NORTHWESTERN BANKER.

Don G. Johnson, president of Farmers National Bank in Pilger, has been nominated as president-elect, announced Association President W.W. Cook, Jr., president of Beatrice National Bank.

Nominated for three-year terms on the association's governing board are: gr. 1, C.G. (Kelly) Holthus, president, First National Bank, York; gr. 3, Elmer Mohl, executive vice president, Delay First National Bank, Norfolk; gr. 4, Gary Wrage, president, Roseland State Bank, Roseland; gr. 5, James H. Oliver, chairman, Commercial National Bank, Grand Island; gr. 6, Mel Adams, Jr., president, Keith County Bank, Ogallala; gr. 7, J. William Henry, vice president, First National Bank, Omaha, and gr. 8, William C. Smith, president, First National Bank, Lincoln.

* * *

In the Nebraska Bankers Association Annual Convention program schedule featured in the April NORTHWESTERN BANKER, Michael Fitch, convention speaker, is incorrectly listed. He is vice president of agribusiness affairs for Wells Fargo Bank in San Francisco, Calif.

Minnesota News

Independent Bankers of Minnesota will be sponsoring a two-day work-

shop, May 12-13, for CEOs and officers in cooperation with Professional Development Corporation. The Participatory Management Workshop will be held at the LaFayette Club, Minnetonka Beach, with a fee of \$450 that includes personal evaluation, course materials and nationally recognized faculty.


BRAINERD: Brainerd National Bank recently announced the election of President Ben G. Nordell as chairman and chief executive officer. Promoted to serve as president was Harold Soper, previously executive vice president.

HALLOCK: John Carpenter, president of Northwestern State Bank recently announced the promotion of Duane Lyberg to executive vice president and agricultural representative; Larry Hokanson to vice president, and Brenda Lang to cashier.

MARSHALL: John E. Rose recently joined Western Bank & Trust Co. of Marshall as vice president in agricultural loans. His duties will include supervision of the ag loan department of the bank and Western State Credit Co. He previously had been serving as vice president of the Central Trust Co. of Western Ohio, N.A.

SAUK CENTRE: First Bank Sauk Centre recently elected Bernice Winters vice president and cashier and Shirley Ebensteiner, assistant vice president. Ms. Winters' responsibilities will be operations and security officer, while Ms. Ebensteiner will manage the installment loan department.

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Illinois News

BLANDINSVILLE: Rodney W. Morris, 61, senior executive vice president of First National Bank for 22 years, died last month after an extended illness with cancer. Mr. Morris joined the bank in 1960 and was formerly from West Liberty, Iowa.

PEORIA: Stephen E. Daggs has recently joined Jefferson Bank of Peoria as a vice president in the business banking section. He formerly was with First National Bank of Pekin and a regional credit manager for CIT Financial Services.

SYCAMORE: The National Bank & Trust Company of Sycamore recently elected Thos. J. Thornton as president. He replaces George E. Dutton, who recently retired after 45 years with the bank. Patrick J. Brennan was also elected assistant vice president and agricultural representative at this time.

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234-2691



Rick Patton
Bond Representative
234-2877

North Dakota News

The Independent Community Banks of North Dakota office has relocated. Their new address is: 601 East Bismarck Ave., Suite 10, Bismarck, N.D. 58501. Their phone number will remain the same, (701) 258-7121.

Wyoming News

CHEYENNE: Edward A. Capra has been appointed senior vice president-loan and credit administration for Wyoming Bancorporation, announced David R. Johnson, chairman, chief executive officer and president. He formerly was senior vice president and manager of the Commercial Banking Group at Equibank in Pittsburg.

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Professionally trained people available for employment in the Banking and Financial Industry. The Red Wing (Minnesota) Technical Institute has graduates thoroughly prepared in the areas of banking, consumer and agri-lending, and insurance. Students will have completed 18 months of training in these and other areas of finance by June of 1982. For further information and interviews please contact: Terri Beckman, Instructor, Red Wing AVTI, Red Wing, MN 55066 or phone 612/388-8271. (PW)

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BRANCH BANK MANAGER-INSURANCE AGENCY—Southeastern South Dakota bank needs branch manager who has had experience in agriculture and installment loans and operations experience. Insurance agency is part of salary. Contact Boyd D. Hopkins, Jr., executive vice president, Livestock State Bank, 100 East Havens and Main, Mitchell, SD 57301. Phone 605/996-7775. (PA)

IMMEDIATE OPENING for installment lender with 2-4 years experience. Bank located in central Minnesota. Will manage installment loan department with opportunity for greater responsibility. Send resume to file PBV, c/o Northwestern Banker. (PA)

AG LENDERS WANTED

If you have two or more years of ag lending experience and want to move up, we have a select number of positions open in the midwest. A degree from Iowa State University or other ag-oriented university will be a definite plus. Write or call Malcolm Freeland, Freeland Financial Service, Inc., 246 Insurance Exchange Bldg., Des Moines, Iowa 50309. Phone 515/282-6362. Employer pays fee. (PA)

PRESIDENT SAVINGS AND LOAN

Medium-sized midwest association seeks chief executive officer with senior management experience in a financial services company.

The association is well-established with good reserves and located in a smaller metropolitan area. Send resume, references, and salary history to: File PBT, c/o Northwestern Banker. (PA)

S & L MANAGING OFFICER

\$100 million Northwest Iowa S & L with excellent reserves and liquidity needs replacement for retiring president (CEO). Seeking profit-oriented applicants with strong managerial and administrative abilities, extensive experience in bank-type commercial and consumer lending, good record in financial sales and advertising, and strong interest in public relations. (PA)

Send resume to:
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CEOs with solid experience in community banks	to \$40,000
Operations/Cashiers/Data Processing Officers	to \$26,000
Marketing Officers	to \$22,000
Number Two Officers with combination lending and operations experience	to \$28,000
Trust Officer with solid legal education	\$35,000
Ag Lender with two years experience and ISU degree	\$24,000

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POSITIONS AVAILABLE

AG-LOAN—small rural bank close to larger city. Requires Degree and 1 - 2 yrs. Ag-lending experience. \$18,000

CORRESPONDENT OFFICER—major midwestern bank. Must be well versed in Agri credits and Degreed. \$30,000

OPERATIONS—responsibility for all internal operations and computer service firm. \$50MM growing southwest Kansas bank. \$30,000

TRUST OFFICER—ideal situation for junior officer with 1 - 2 yrs. personal trust experience. \$150MM bank in community of 40,000 population. \$22,000

PROGRAMMER—requires at least 2 yrs. experience with NCR 8400 and COBOL. Growing suburban bank. \$25,000

COMMERCIAL LENDER—metro bank affiliated with one of the largest midwestern holding companies seeks addition to staff. Degree and lending experience with seven figure credits required. \$40,000

INSTALMENT LOAN—head small dept. for \$30MM suburban bank. Must be involved with new business development. \$18,000

All inquiries confidential. Resume' and salary history requested.

TOM HAGAN & ASSOCIATES of Kansas City

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