

Hawkeye Plans to Sell 17 Banks

A BRIEF announcement was made last week by Paul D. Dunlap, president and chairman of Hawkeye Bancorporation, Des Moines, that 17 of the holding company's 36 banks would be sold off to reduce Hawkeye's approximately \$100 million of debt.

Acknowledging that "It's very painful to downsize a company," Mr. Dunlap's announcement also said Hawkeye would sell its mortgage banking and insurance units and four other non-banking subsidiaries.

The proposal has not been formally reviewed by Hawkeye's creditors. They include Continental Bank of Chicago, First Bank System and Norwest Corporation of Minneapolis, Bankers Trust Company of Des Moines, Credit Suisse, Merrill Lynch and several insurance companies.

Mr. Dunlap said "an accord with respect to a number of material issues has been reached with most of (Hawkeye's) institutional lenders. A final accord with such lenders is subject to resolution of other material issues, execution of definitive documents and regulatory approval. No definitive discussions have been had with preferred stockholders. Depending on certain factors, a meeting of common stockholders may be required."

Mr. Dunlap and Robert W. Mur-

ray, executive vice president and treasurer, said late last week that "considerable activity has already been generated" since the announcement earlier in the week of the planned sale of the 17 banks. This response came from officers and directors of many of the 17 banks, as well as from a number of interested bankers and other investors outside the Hawkeye family. Correspondent bank departments of major Iowa banks reported last week they had a number of calls from individuals wishing to discuss the possibility of such a purchase and to determine if bank stock loans would be available. Mr. Dunlap said first preference would be given to officers and directors of the local banks so the banks could continue as locally owned institutions by those people most familiar with them, and who have worked for some years to serve their respective communities.

Mr. Dunlap's announcement said further:

"Proceeds will be used to retire \$22.5 million of installment notes without interest, all due by June 30, 1988. Any excess proceeds will be applied to other debt. Installment payments on these notes are due \$10 million by December 31, 1986; \$5 million by June 30, 1987; \$5 million by December 31, 1987 and \$2.5 million by June 30, 1988. Term notes of \$15 million will be issued at prime

rate, with a 12% cap, payable interest only for five years, renewable if no default exists for an additional five years with principal amortized during 1991 through 1996. Default in payment of the installment notes or term notes, or other loan covenants, will accelerate all debt obligations. Substantially, all the company's remaining assets will be pledged to secure the obligations.

"The creditors will receive \$30 million of subordinated capital notes, bearing prime interest rates with a 12% cap and due in three equal payments of \$10 million each on December 31, 1989, 1991 and 1993. At Hawkeye's option, payment of the first year's interest can be paid by delivery of an additional note due on June 30, 1989. Additional future interest can be paid by delivery of Hawkeye shares at then market price, at Hawkeye's option. If payment is not made on the principal of the capital notes, the creditors may elect to receive 25% of the common stock on a fully diluted basis at the time of the first due date, 1989, and an additional 15% at each of the second and third payments in 1991 and 1993."

Total assets of Hawkeye Bancorporation at 1985 year-end, as reported in the *NORTHWESTERN BANKER'S 1986 Iowa Bank Directory*, were \$1,820,532,000. At the end of May, those assets were approximately \$1.65 billion, with most of the decrease resulting from plan-

Call on the "Experienced Professionals"

Ready to meet your correspondent needs.

 **FirstTierSM Bank**
Lincoln

13th & M Streets, Lincoln, Nebraska 68501

FirstTier Bank, N.A., Lincoln, Member FDIC



Norwest Bank Des Moines, N.A.
Call (515) 245-3131 or toll-free (800) 362-2514
Member FDIC



Mark Conway

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



Dorothea Wolfe

ned shrinkage, as many banks have done. The 17 banks now up for sale had year-end book value of approximately \$50 million, and total assets of \$556,986,000, according to figures in the *Iowa Bank Directory*, as furnished by the individual banks.

As noted earlier by Mr. Dunlap, proceeds of the sale of the 17 banks, with book value of \$50 million, would be applied to the debt outlined above. If all 17 banks are sold, those proceeds would retire the \$22.5 million of installment notes and all or a major share of the \$30 million in capital notes. The remaining debt, based on such assumption, would be between \$15 and \$25 million, with present creditors holding 2.6 million shares, or 25%, of Hawk-

eye's stock. That eventuality is not a foregone conclusion, however, since creditors would be accepting Hawkeye stock at \$12.50 per share for \$32.5 million of current debt. At the present market value of Hawkeye stock at about \$3.25 per share, the 2.6 million shares are valued at \$8,450,000, a difference of \$24 million. Creditors have not yet commented on the latest Hawkeye proposal.

Mr. Dunlap stated, "We hope counsel will be able to work out the remaining issues quickly. We are very pleased with the agreements which we have reached so far, which will reduce debt and spread the remainder over a term of ten years. The 'new' Hawkeye will have over \$1 billion of assets with improved potential for earnings."

He concluded his statement by thanking Hawkeye employees, directors and customers for their understanding, patience and loyalty during these difficult times. "The reward of our hard work is a 'new' Hawkeye Bancorporation, a healthy company ready to return to the task of building a better Iowa."

Hawkeye Assets to Be Sold

	Total Assets (000s)	Total Capital (000s)
State Bank of Allison Allison	\$18,961	1,452
Hawkeye Bank & Trust Camanche	11,790	990
Hawkeye Bank & Trust Chariton	30,889	2,834

First National Bank Clinton	71,442	5,671
Hawkeye Bank & Trust Eldora	15,996	1,443
Hawkeye Bank & Trust Grundy Center	29,232	2,088
Hawkeye Bank & Trust Humboldt	65,641	5,010
Hawkeye State Bank Iowa City	21,620	1,403
Lake City State Bank Lake City	18,623	1,716
Hawkeye Bank & Trust Lake Mills	23,042	1,767
First National Bank Lenox	25,285	2,431
Hawkeye Bank & Trust Mason City	22,340	3,146
Hawkeye Bank & Trust Maquoketa	61,237	6,115
Houghton State Bank Red Oak	63,089	4,628
First National Bank Sibley	17,597	1,451
Hawkeye Bank & Trust Sioux City	23,592	1,723
Waukon State Bank Waukon	36,610	2,518
	\$556,792	\$46,386

Nonbank Activities:

Hawkeye Bancorporation Mortgage Company
Hawkeye Information Systems, Inc.
Hawkeye Insurance Services, Inc.
Hawkeye Farm Management
Hawkeye Credit Card Center
Iowa Higher Education Loan Program

Iowa News

DES MOINES: First Interstate of Iowa, Inc. and two of its subsidiaries, First Interstate Bank of Des Moines, N.A. and First Interstate Building Corporation of Iowa, have entered into an agreement to sell the First Interstate Bank Building and retail/office parking structure, Locust at Sixth Avenue, to Graham Investment Co. The sales price has not been disclosed. It is expected the closing will take place on or before September 30, 1986.

DUBUQUE: Key City Bank and Trust Company has announced the appointment of John V. Walsh as vice president-lending. He was a real




**ASK
DENNIS
EARHART**


**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


There Is A Difference
In Banks...





H. PETER DEROSIER
Vice President

For Professional
Correspondent Service
Call 1-800-622-7262

Valley National Bank 
Main Office-Sixth and Walnut
DES MOINES, IOWA 50304
A BANKS OF IOWA BANK
Member FDIC

Investment Banking

**Bond
portfolios
working at
full power.**

The performance of your bank's bond portfolio is based on sound thinking and quality investments. Investments that will consistently work at full power to contribute to the earnings of your bank. Bond portfolio recommendations have been our specialty since the 1920s, and our track record is enviable.

Although investment vehicles and markets have changed, we've maintained our high standards. The result is success for our customers and a reputation that precedes us.

For confidential consultation about the benefits of investment banking at United Missouri, call (816) 556-7200 today.



UNITED MISSOURI BANK
Member FDIC
of Kansas City, n.a.

P.O. Box 226 Kansas City, Missouri 64141

Supplement to Northwestern Banker Newsletter 6-30-86



ATTENTION IOWA BANKERS

**PROBLEMS WITH YOUR
BLANKET BOND?**

**ARE YOUR UNDERWRITERS
DEMANDS EXCESSIVE?**

We have been able to
solve many bonding problems
for bankers at the lowest possible premium.

Call or Write



**THE KANSAS BANKERS
SURETY COMPANY**

435 Kansas Avenue P.O. Box 1654
Topeka, Kansas 66601
1-913-234-2631

Serving bankers for more than 75 years

ATTENTION
IOWA BANKERS

PROFITABLE INVESTMENT OPPORTUNITIES
IN REAL ESTATE

ARE YOUR UNDERWRITERS
GETTING THE BEST DEAL?

We have been able to solve many pending problems of banks and investors in the Midwest.

Call on White

THE BANKERS REALTY
SECURITY COMPANY

222 West Main Street
Des Moines, Iowa 50319



Forming the new era in real estate

Serving bankers quietly and efficiently.

CAPITAL PERSONNEL SERVICE

714 First Interstate Bank Building
Des Moines, Iowa 50309
515-283-2545

estate lending officer at a Dubuque financial institution since 1967.

WEST DES MOINES: Nick R. Clark has been elected as vice president and manager of First Interstate Bank's West Des Moines office. Before joining the bank he served as vice president of Memorial Bank, N.A. in Oklahoma City, Okla.

Nebraska News

HASTINGS: Richard L. Harms has been promoted to vice president/agricultural banking at Norwest Bank Nebraska, N.A. Mr. Harms joined Norwest Bank at Omaha in 1985 and was promoted to vice president of special loan administration later that year. He will assume his new duties at Hastings on July 1.

PALMER: Kirk R. Riley has been named the new executive vice president of the State Bank of Palmer. He was previously with The Farmers National Bank at Central City as vice president.

Wisconsin News

MILWAUKEE: William M. Cunningham and James H. Haberstroh have been promoted to vice presidents of First Wisconsin Trust Company. Mr. Cunningham joined the organization in 1985 and most recently served as assistant vice president. Mr. Haberstroh most recently served as assistant vice president, joining the trust company in 1977.

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

Inquire about FLEX-O-PAY®

- a computerized billing/credit system
- generates additional income from present staff and equipment
- means of increasing your local commercial business
- plan developed by bankers for bankers

CALL:

1-800-772-2411

WRITE:

LeRoy Bell
The National Bank of Waterloo
P.O. Box 90,
Waterloo, IA 50704

North Dakota News

FARGO: Dan M. Carey has been named executive vice president of lending at Dakota Bank & Trust Co. He joined the bank in 1976, serving most recently as vice president.

GRAND FORKS: The board of First National Corporation recently declared a cash dividend of 15 cents per share. The dividend will be paid to all shareholders of record as of July 1, 1986 and will be payable July 22, 1986.

South Dakota News

GREGORY: Joe Duling has joined the Gregory branch of First Fidelity Bank as vice president and manager. He was a loan officer at another South Dakota bank. He replaces Wayne Pauli who has joined High Plains Bank of Elizabeth, N.A. in Colorado.

RAPID CITY: Four officers have been elected to vice presidents at First Bank of South Dakota. Ronald Evenson comes to First Bank from First Interstate Bank in Great Falls, Mont., where he served as vice president. Rollie R. Hill joined the bank last year as assistant vice president and credit specialist. Barry Martin, who has been with the bank since 1980, most recently served as assistant vice president. Sandra Vollmer, who most recently was assistant vice president, joined the bank in 1977.

Minnesota News

MINNEAPOLIS: Purchase agreements have been signed for the sale of four First Bank locations: Blue Earth and Waseca, Minn. and Highmore and Miller, S.D. The sales are pending regulatory approval. First Bank Blue Earth had year-end assets of \$33.5 million. First Bank Waseca had assets of \$42.3 million. First Bank Highmore had year-end assets of \$27.4 million, and the Miller office of First Bank of South Dakota had year-end assets of \$41.1 million. Specific purchase terms have not been disclosed.

ST. PAUL: Robert C. Beck has joined Midway National Bank as vice president operations. Prior to joining the bank, he was vice president and cashier at Independent State Bank of Minnesota.

Illinois News

CHICAGO: Continental Illinois Corporation has announced that Bruce M. Brenn has been named senior vice president in the international banking department. He joined the organization on June 1 as head of the Asia/Pacific group.

ROCKFORD: Kenneth E. Edge has been named executive vice president of AMCORE Bank Colonial, effective July 14. He is currently vice president of the retail division of the bank. He joined the organization in 1969.



Magnum Vault Doors

Ship from stock - Two on display in our showroom
The industry's highest quality and the industry's lowest cost

Bankers Security—Safe and Vault

9906 A E. 53rd St. Raytown, MO 64133
816-358-0883



Capital improvement plans
and other management services

SWORDS ASSOCIATES, INC.

PROFESSIONAL BANKING CONSULTANTS
4900 OAK SUITE 301 KANSAS CITY, MO 64112
(816) 753-7440

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, 1535 Linden Suite 201, Des Moines, Iowa 50309. Phone 515-244-8163**

FOR SALE
RECONDITIONED
BRANDT Coin Sorters-Counters
BRANDT Currency Counters
 New Warranty
 402-571-5577

POSITION AVAILABLE

EXECUTIVE VICE PRESIDENT

Progressive large bank dedicated to professional commercial lending techniques. Average length of service is over 15 years per employee. Salary is open depending upon experience. Send resume to File No. WFY c/o Northwestern Banker.

BANK PRESIDENT—\$20MM Bank seeks CEO. Commercial and agriculture lending experience required. Excellent opportunity for salary and benefits including investment in bank if desired. Send salary requirements and resume to Gene Eaton, 1712 Firstier Bank Bldg., Lincoln, NE 68501. (PA)

PRESIDENT—for \$60M south central Wisconsin bank. Very profitable, expanding bank. Successful candidate will have strong background in farm credit. Good management skills and enjoy living in small conservative community. Salary \$45-\$50,000 + heavy incentive package. Send resume to File No. WFV c/o Northwestern Banker. (PA)

AG LENDER #2 position. 2-5 years ag credit experience with real estate lending experience a +. Send resume and salary requirements to: Galen Reading, V.P./Ag Rep., C/O First Nat'l Bank of Mapleton, (Box 306), Mapleton, MN 56065. (PA)

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

FINANCIAL BUILDINGS

Temporary/permanent, new/used, purchase/lease, available now 14' x 60', 24' x 60', 24' x 70', fully equipped with vaults, depositories, DUW, teller equip., pneumatics, safe deposit boxes. Call 316-263-4557. SON CORPORATION, Box 684, Wichita, KS 67201.

POSITIONS AVAILABLE

SENIOR AG

Aggressive, hard charging bk w/solid support staff seeks future leadership. 5-6 yrs exp will work at taking charge of \$20m + ag portfolio w/ventual goal of CEO in 2-5 yrs. This grooming spot has supplied hold co w/2 of 3 key leaders. \$30K +.

COMMERCIAL LENDER

3+ yrs com'l lending exp can pay off BIG. Well recognized finl institution seeks indiv w/\$8-10m com'm'l portfolio exp who feels they deserve a better future. Upper 30's. SUPER BONUS.

OPERATIONS/CASHIER

Rural bk of \$20m seeks oper person to train for pres for next 3 yrs. Finl reporting skills, knowledge of teller functions & enjoyment of rural environments are musts. \$25K.

FOR FURTHER INFORMATION CONTACT: KURT ROSENCRANTS



ROBERT HALF

317 6th Ave, Ste. 650
 Des Moines, IA 50309
 (515) 244-4414

WORLD'S LARGEST BANKING, ACCTG & EDP SPECIALISTS

ALL FEES COMPANY PAID



Consultant to Bankers

- Loan Review and Credit Administration

- Profit Planning

773 Spruce Street
 P.O. Box 159
 Ocheyedan, Iowa 51354
 Phone: [712] 758-3660

WANT TO BUY

WANT to move into community in northern half of Iowa to purchase control and manage good community bank. Have 20 years successful farming experience and five years as successful CEO/owner of community bank in midwest. Would consider #2 position with option to purchase. Write File WGA c/o Northwestern Banker. (WTB)

COMMERCIAL LENDER

Splendid opportunity with lead bank in a highly regarded, financially sound Iowa multi-bank network. Growth position for talented person with credentials, and minimum 3 yrs. exp. & 1 yr. formal credit training. For confidential consideration, contact T.W. Textor. No fees: We are retained by management.

PERSONNEL INCORPORATED
 2626 RUAN CENTER
 DES MOINES, IA 50309

BANKING

SR. VICE PRESIDENT. Oversee all lending and supervise ten lending officers. Portfolio is primarily commercial/real estate; background in either area. To \$50,000 Call Bruce

TRUST DEPARTMENT HEAD. Holding company bank is \$270 + mm located in a historic setting. 5 + years general trust and good staff development skills. To \$55,000 Call Marj

COMMERCIAL LOAN OFFICER. Rapid movement to #2 possible. Mainstreet commercial business along with participations and real estate. Benefits, profit sharing Mid \$30's Call Dean

V.P./AG DEPT. MGR. Responsible for ag portfolio at this \$50 + mm bank. Progressive, county-seat town with good growth in last decade. High \$20's Call Bruce

C.L.O./V.P. If you can handle a \$20mm commercial portfolio and have 5 + years in commercial, this \$500 + mm holding company bank offers tremendous upward mobility quickly! Bank is located in recession proof, progressive community . . . To \$50,000 Call Marj

VICE PRESIDENT. If you are CEO material and this is your goal, this highly rated bank near metro city is for you! Knowledge of ag and small commercial \$30's Call Dean

CREDIT REVIEW MGR. Retirement of existing manager opens this spot! Commercial, installment, and real estate portfolio. Loan review background \$40's Call Bruce

CORPORATE TRUST OFFICER. \$370mm lead bank for viable holding co. Experienced employee benefits person with business development skills, salary plus incentive To \$47,000 Call Marj

SR. VICE PRESIDENT. Take charge of loan dept., 50% ag. Supervise five loan officers. Experienced lender \$40,000 Call Dean

Personnel Search

1126 So. 72nd St. Omaha, Ne. 68124

402-397-2980

BANK PRESIDENTS

Positions now available in Iowa and Minnesota in banks with deposits in \$30 million range. Salary to \$45,000.

COMMERCIAL LENDERS

Positions now available in three choice locations in Upper Midwest. Require minimum of 3 years experience and college degree. Salary to range from \$35,000 to \$60,000.

REAL ESTATE LENDER

Multi-bank group seeks qualified real estate lender. Ability to package for sale to secondary market a plus. Salary Open depending on experience.

TRUST OFFICERS

Positions now available in two major banks in Nebraska and Iowa. Law Degree preferred. Experience in personal trust and/or employee benefits a plus. Salary range to \$35,000.

Freeland Financial Service

1010 Equitable Bldg. Des Moines, IA 50309
 515/282-6462

Employer pays fee.

Please contact Malcolm Freeland concerning these quality applicants or for other types of banking officers.

FOR SALE

TEXAS INSTRUMENT COMPUTER MODEL NO. 990 complete with a terminal and two printers. Make offer (712) 523-2171. (FS)

USED 2400 BAWD MODEM—make an offer. Contact First Community Bank & Trust, Traer, IA. (319) 478-8746. (FS)

BURROUGHS 1000 posting machine and auto reader has been under maintenance contract. Price is negotiable. Call (319) 372-1134 (FS)

POSITIONS AVAILABLE

VP/MGR COMMERCIAL LENDING

Play a vital role with a dominant TC Bank! Expanding TC Bank desires commercial loan mgr with 5 + yrs com'l lending exp, strong analytical abilities and ability to develop new business. This high profile position is a great opportunity! To \$49,000. Job #NW8670.

AGRICULTURAL LENDER

Tired of taking a back seat? Central MN community bank offers a giant step forward as the #2 person. If you have 5 + yrs ag lending exp, a positive personality and a strong desire to succeed, call immediately on Job #NW8686.

COMMERCIAL LENDER

In no time you will be managing the department! Leading outstate MN bank desires com'l lender with 3+ years lending exp, formal credit training, and degree. This bank is growing rapidly and is located in a super city! To Mid \$30's. Job #NW8673.

FOR MORE INFORMATION
 CONTACT PAUL GENTZKOW



ROBERT HALF

3636 IDS Center
 Minneapolis, MN 55402
 (612) 339-9001

ALL FEES COMPANY PAID

POSITIONS AVAILABLE

LOAN REVIEW - lead bank of major midwestern holding company. Requires degree and minimum of two yrs. loan review experience in large bank environment. \$28K

COMML. LOAN - \$100M suburban affiliate of large multi-bank holding company. Strong technical skills and 3 yrs. or more experience. \$30K

INSTL. LOAN - manage consumer department for \$80MM suburban bank. Ideal candidate will have five yrs. instal. lending background including dealer paper. \$30K

CEO - small rural bank located close to recreational area. Work out situation. Ag credits not the problem. \$38K

AGRI LOAN - primary responsibility for all Ag credits in \$25MM community bank. Assist with commercial loans. \$35K

Additional opportunities available. Resume requested.

TOM HAGAN & ASSOCIATES

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

"Serving the Banking Industry Since 1970"

Vol. 15 No. 11 Northwestern Banker Newsletter (USPS 873-300) is published weekly by the Northwestern Banker Company, 1535 Linden Street, Suite 201, Des Moines, Iowa 50309, (515) 244-8163. Subscriptions \$1.00 per copy, \$18.00 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.