



**Bank Holding
Company Association**

Fourth Quarter, 2011

Newsletter

Volume 26, No. 4

Seminar speakers urge fresh strategies in response to challenges

Opportunities for growth are limited, but bankers who listen closely to their customers can thrive in the coming months and years. That was one conclusion resulting from a panel discussion presented at the 61st semi-annual Seminar of the Bank Holding Company Association, Oct. 3-4 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn.

In addition to the panel discussion, the Fall Seminar featured investment expert Ed Krei of The Baker Group, compliance consultant David Bequeaith, entrepreneur Steven Schussler and the improvisational troupe, Comedy Sportz. Nearly 200 bankers participated in the two-day event that also featured five narrowly-focused breakout sessions. For the first time, breakout session presentations were recorded so attendees can listen to them via the BHCA web site.

Contributing to the panel discussion were analyst Ben Crabtree, Oak Ridge Financial; Federal Reserve Bank of Minneapolis official Ron Feldman; Alerus

David Bequeaith

Financial Corp., President/CEO Randy Newman, and economist Jim Nowak of United Bankers' Bank.

"The bankers who are, or will be, successful are the ones who recognize the way the world is: We are in a deleveraging economy and we are looking at several years of very limited economic growth which means very limited growth in loans outstanding," Crabtree said. "The implication of that in terms of bank strategy is that you have to be efficient, look at your processes, and plan for the reality that growth will only come out of somebody else's hide. Focus, strategize, and implement with support from the board. If you focus on the pieces of business that



Fall Seminar panel participants, from left, are: Alerus Financial Corporation President/CEO Randy Newman; Federal Reserve Bank of Minneapolis Senior Vice President Ron Feldman; Oak Ridge Financial Senior Advisor/Analyst Ben Crabtree, and United Bankers' Bank Vice President Jim Nowak.

you want, and get efficient, you can make reasonable profit at a low spread."

"There aren't a lot of organic growth opportunities," Nowak commented. "When you get a cycle like we are in now, it takes years to work through it. A lot of bankers are finding their best clients don't want credit right now. They don't need it. And so there's an overwhelming amount of liquidity in the system."

"Face it, we're a mature industry and mature industries have trouble growing," Newman said. "The last 10 years banking has been too easy; the wrong people got into banking with unrealistic expectations. We

even changed how we did business because we had to compete with them. I'm glad they are all gone.

"In North Dakota, we have 650,000 people. We have learned to live in a competitive, no-growth environment. We've diversified our portfolio by focusing on fee income and it's worked out well for our organization," Newman said.

The regulatory burden, which is growing heavier all the time, was the topic of much commentary.

"I have several hundred clients ranging in size from

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President's Column

Douglas L. Jilek
Prairie Bancshares, Inc.
Lester Prairie, Minn.



BHCA's strength is its members

Membership is essential to the success of the Bank Holding Company Association. Education is the main focus of the BHCA, but I have long been convinced that the top benefit of belonging to BHCA is the opportunity to network with other bank owners and holding company officers. Where else but BHCA

seminars can you go and be assured of an opportunity to visit with a hundred or so bank owners?

Competition for your dues dollar is significant. Bank Holding Company Association dues are modest, and I am convinced the benefits of belonging far outweigh the cost. If you haven't already renewed your BHCA membership for 2012, please do so immediately. If you have, let me thank you for your continued support. In addition, I encourage you to invite a colleague at a neighboring bank to also consider joining.

Below, you will see some of our recent new members listed. We welcome them. As mergers and acquisitions reduce the number of charters, it is essential that we are always recruiting new members.

Tom Bengtson, our managing director, recently hosted

a series of lunches for prospective members. Invitations were sent to about 200 holding company officers who currently are not members. Lunches were hosted in the Minnesota communities of Mankato, Rochester, Alexandria and the Twin Cities. Members of our board of directors also serviced as hosts.

At each meeting, bankers discussed industry issues and Tom specifically described some of the benefits of membership. The board members shared their experiences, and explained why they find membership so valuable. Turnout was light but for a first-time effort, the luncheon series was worthwhile and it did result in membership growth.

We will likely build additional membership development efforts into our regular calendar of BHCA events. My hope is we will do another round of lunches with prospects in the fall of 2012. But remember, you – our current members – are the association's best recruitment tool. Talk up the association to your friends in the industry and invite them to join if they are not already members.

At the end of this month, I conclude my presidency of the Bank Holding Company Association. It has been an honor and a pleasure to serve this industry from this position. I appreciate the support I received from all of you, and look forward to remaining engaged in the BHCA as a past president.

As the year comes to a close, I wish you happy holidays and the very best in the New Year. ■

Welcome New Members

The Bank Holding Company Association is pleased and honored to welcome the following new members who have joined the Association recently:

Charles M. Johnson, Jr., President
Johnson Bancshares, Inc., Chatfield, Minn.

Steve Lindholm, Chairman
Independent Bancshares, Inc., Clarkfield, Minn.

Paul Means, CEO
Great River Holding Company, Baxter, Minn.

Bruce Pogatchnik, Vice President
Duke Pogatchnik, Vice President
Tina Rabe, Secretary
Finleyson Bancshares, Inc., Finlayson, Minn.

Dean Harrington, CEO
Plainview Bankshares, Inc., Plainview, Minn.

Scott Kopp, President
Gale Bank Holding Company, Inc., Galesville, Wis.

In addition, the Association welcomes the following new associate members who joined recently:

Robert Neville, President
Modern Banking System, Ralston, Neb.

Modern Banking Systems is uniquely positioned to supply community banks with a total solution: an integrated real time core solution delivering profitability, efficiency, security, and emerging technology for banks to better serve their clients. MBS is your partner, keeping you ahead of the competition.

Greg Rueter, Regional Vice President
Jim McGrath, Regional Vice President
Allied Solutions, LLC, St. Paul, Minn.

Allied Solutions is proud to be one of the largest providers of insurance, lending and marketing products to financial institutions nationwide. Our strategy is to provide best-in-class solutions and then support them with unparalleled customer service.

Ron Goffman, Regional Director
John M. Floyd & Associates, Baytown, Texas

JMFA is a leading provider of profitability and performance-improvement consulting. For more than 30 years, JMFA has been recognized as one of the most trusted names in the industry, helping financial institutions enhance their bottom line with programs like JMFA Overdraft Privilege. JMFA is also recognized for earnings enhancement and expense control programs, training, executive placement, account acquisition programs as well as product, service, pricing and technology-improvement consulting. JMFA's programs and services are designed to increase income or reduce expenses. ■



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The BHCA Newsletter is published quarterly by the Bank Holding Company Association for its members. To submit an article, please contact BHCA Managing Director Tom Bengtson at 952-835-2248 or 1-800-813-4754. FAX: 952-835-2295, e-mail: info@thebhca.org.

Director's Column

By Tom Bengtson
Managing Director



OCC meeting provides opportunity to develop key relationship

One of the hallmarks of the Bank Holding Company Association is our work building relationships with the various regulatory agencies that supervise the banking industry. Last July, the BHCA co-sponsored a regulatory panel discussion with the Independent Community Bankers of Minnesota. The panel included representatives from the Federal Reserve Bank of Minneapolis as well as the FDIC. It was our

third straight year to team with ICBM on the event and we look forward to such an event again next summer.

On Friday, Dec. 9, I had the opportunity to participate with 15 other trade association managers in an outreach meeting hosted by the Office of the Comptroller of the Currency in Chicago. The OCC specifically wanted feedback on its integration with the Office of Thrift Supervision, but the five-hour meeting provided a platform for a wide-ranging discussion on industry issues. So far, the Central District office has complete seven exams on thrifts and has started 60 others.

Some of the meeting participants were able to provide the OCC with feedback on those exams. One participant said some bankers in mutual institutions feel the OCC needs to develop its expertise in the area of mutual institutions. Bert Otto, Deputy Comptroller, who hosted the meeting, said the OCC's experience with mutual institutions is limited but that it is working to strengthen its expertise in this area.

There was considerable discussion about the need for bankers to have a way to appeal exam findings. It was clarified that the OCC ombudsman can over-rule an examiner-in-charge. We were told that in the last 18 months about a dozen cases have received formal review from the Ombudsman with about one-third going in favor of banker, one-third in favor of examiner and one-third resulting in some form of compromise. One participant observed that the number of cases brought to the Ombudsman in light of the number of total exams done (about 500) indicates the process is underutilized. An OCC representative said the vast majority of cases are resolved before they become formal. Most, he said, are handled informally through phone contact.

It was noted that most bankers do not comment on disagreements they have with regulators because they fear some form of retaliation. Otto said they do not retaliate, and that in fact, most OCC staff members encourage bankers to pursue the Ombudsman route should they have a disagreement with examiners. Otto said that if bankers don't speak up, they cannot address the problem.

Gary Baranowski, assistant deputy comptroller, Peoria, Ill., provided attendees a summary of industry conditions. He said that in the Central District (North Dakota, Minnesota, Wisconsin, Illinois, Indiana, Kentucky, Ohio, Michigan and parts of Missouri) 8 percent of the national

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BHCA Fall Seminar,

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\$25 million to \$1 billion in assets and the greatest complaint I hear is that there is no consistency at the field examiner level,” Nowak said. “What is being required at some banks, other bankers haven’t heard. Some of the things they ask of a \$40 million or \$50 million bank have bankers throwing up their hands in frustration. Regulators are demanding things and there’s no arguing or getting around it. So it seems there’s a lot of inconsistency.”

“The regulatory environment is difficult, no question,” Newman said. “As long as there is a level playing field, though, I don’t worry about regulations. Maybe I’m at a size where I can afford people with the skills to handle it. It is a concern; it is expensive. But regulation is not going to put me out of business. Asset quality will. And no revenue growth concerns me more than regulatory issues.”

“I had a banker tell me he’d gone out and hired a consultant to help with asset planning and stress testing in anticipation of an exam. My reaction was, ‘you don’t need to do that,’” Feldman commented. “People presume there is a level of complexity across a wide range of activities that might not be there. Before you presume there will be something expensive to do

to comply with a regulation that’s not based on a direct conversation you’ve had with us, I would encourage you to start that conversation. We have folks we pay to understand these rules. Because the regulations are not always clear, we encourage people to call before they decide they are not going to make certain loans.”

Crabtree, who has spent a career studying the banking industry, shared his observations about how the industry arrived at its current conditions. “I think there has been a sea change and it goes back a decade. Look at the quality of economic growth since 2000; it’s been very low. It wasn’t driven by wage growth; it was driven by debt increase — to the benefit of banks, at least for a while. Now we are in a process of deleveraging. Everything that I have read about this indicates we are in a multi-year deleveraging environment. Our attitude about borrowing has changed and that doesn’t bode well for providers of credit.

“In the early part of the 2000s, banking was easy and people without a great deal of skill did well. I



Ed Krei



BHCA Board Member Bill Rosacker (left), United Bankers’ Bancorporation, visits with Dirk Gasterland, Coulee Bancshares, Inc., L Crosse, Wis., and Don Johnson, Eide Bailly.

think we are in a different environment now. Banking is not going to be easy, and there is going to be a return to having better people in the industry and a return to taking business away from your weakened and becalmed competitors. It’s a market share game now. I don’t know how long it will last but I don’t think it will end next year or the year after. Management needs to recognize this and plan accordingly.”

Krei, who spoke during the seminar’s general session as well as leading a breakout session, acknowledged fundamental changes in the banking industry. He challenged bankers to respond accordingly: “We have to think and act differently, but more importantly, we have to challenge our people differently and invest in them.”

Here are some of the issues which Krei said make banking so challenging:

- No loan growth and subsequent tight margins.

A bank’s best customers are not borrowing and they don’t want debt. And business owners are not hiring, Krei said, because of uncertainty surrounding health care costs and the future of their tax burden.

- *Stagnant investment income.* Bankers aren’t able to put their excess funds to work in an extremely low interest rate environment.

- *Competition for good loans.* Bankers’ best customers are being courted by competitors; they cannot be complacent.

- *Holding on to surged deposit growth.* Deposits have been good of late, Krei said, offering this challenge: “How do you keep it? What will happen to those deposits when interest rates go up?” Behaviorally, a high percentage of customers won’t move for 10 or 15 basis points, but if short-term rates head up to 2 percent or 3 percent or 4 percent, they suddenly will take note.

- *Loan portfolio qual-*



Enjoying the reception, from left, are: Speaker Ed Krei, The Baker Group; Jim Miller, North State Bancshares, Shakopee, Minn.; Joe Lempe, Ramsey Financial Corp., Fargo, N.D., and Lee Madetzke, North State Bancshares.

ity. “What are your OREO expenses?” Krei asked. Getting title to an asset is just the beginning of the fun, he joked. “Then you have to appraise it, insure it, pay the taxes on it, secure it,” and for some rural bankers, possibly feed it.

• *Interest on business checking.* This is not a huge issue now, Krei said, but it will become a greater issue as interest rates go up. “We can’t be cavalier about it,” he advised. “We better have good account analysis of our business checking accounts.”

Krei offered a glimpse into the nation’s highest-performing banks, saying they:

• Clearly define their markets and listen to their customers;

• Think, plan and act with a long-term focus;

• Build effective processes;

• Understand their ‘bets;’

• Invest in employees and an organization structure that promotes accountability;

• They ask for the business, and

• They resist complacency and the status quo – they embrace and manage change with a sense of urgency.

“The industry is changing, both structurally and competitively,” Krei said.

“Who will your customers be in 10 years and what will they expect from you?”

Bankers who want to thrive more than survive will need to search hard for those answers, Krei concluded. ■

Actors with the ComedySportz improvisational troupe put on a show after the Monday dinner.



BHCA to offer series of webinars in 2012

The Bank Holding Company Association, a leader in education related to holding company and bank ownership issues, is presenting a series of quarterly webinars in 2012. The series is a follow-up to a very successful pilot webinar the BHCA hosted in September.

“Webinars are an effective and economical way to deliver education and information,” commented Tom Bengtson, BHCA managing director. “We surveyed our membership earlier in the year, and bankers overwhelmingly said they like the webinar format. Those survey results were affirmed when we offered our first-ever webinar in September. So a series for the coming year is the natural next step.”

The BHCA is partnering with four Associate Members to deliver the 60-minute webinars, which will all take place on Thursdays, at 10 a.m.

The first webinar, scheduled for Feb. 9, is titled: “Making the most of your holding company charter,” and will be presented by the law firm of Fredrikson & Byron.

The second webinar, scheduled for May 24, is: “Tax & estate planning for bank owners,” presented by RSM McGladrey.

The third webinar is set for Sept. 13 and is called: “Bank acquisitions and valuations... to sell or not to sell.” It is presented by Country Club Bank Capital Markets Group.

And the fourth webinar is scheduled for Nov. 15. The title is: “Emotional issues surrounding succession planning.” It will be presented by the Eide Bailly consulting and accounting firm.

BHCA members can register for any of the webinars for \$59 each. Non-members can register for \$99. Registrations are per computer screen, so more than one person can share a registration if they watch together on one computer monitor. Also, registrants have the opportunity to access a recording of the webinar subsequent to each presentation.

Between now and Feb. 1, however, BHCA is offering a series pass which gives BHCA members an opportunity to pay one fee of \$175 that grants registration to all four webinars. This is essentially like getting four webinars for the price of three. The series pass is a benefit available only to members.

All registration is via the association web site at www.theBHCA.org. Simply click on the “webinars” icon and register for the webinar of your choice, or for the series pass. You have the opportunity to pay for your registration immediately with a credit card.

“With all the changes taking place in the industry and competitive pressure as high as ever, education has never been more important,” commented Bengtson. “BHCA is pleased to be able to provide this essential information in a user-friendly and convenient format.” ■

The CFPB is up and running; here is a progress report

By Becky Nelson

In its first 100 days, the Consumer Financial Protection Bureau has staffed up, studied up and started up several initiatives. Raj Date, acting interim director, provided details Nov. 2 in testimony before the House Subcommittee on Financial Institutions and Consumer Credit.

Staff: On the staffing front, the CFPB now has more than 700 employees, many of them from other federal regulatory agencies.

Industry interaction: Bureau staff members – operating from bases in Washington, D.C., Chicago and San Francisco – have met with consumers, consumer groups, civil rights organizations, big banks, community banks, investors, and trade organizations, both before and after officially opening on July 21, 2011. Most recently, the CFPB held a town hall meeting in Minneapolis to hear such testimony from members of the public.

Student lending: At another recent event in Minneapolis, Date and other CFPB staff announced a new student loan disclosure form. The Bureau is asking for feedback (through an online comment form) on this model disclosure.

In addition, the CFPB has

named Rohit Chopra to the new position of private education loan ombudsman, required by the Dodd-Frank Act. The ombudsman will work with the Department of Education to receive, review, and attempt to resolve complaints from borrowers of private student loans. At the same time, the Student Debt Repayment Assistant tool launched online.

Large bank examinations: The CFPB will examine the nation's 111 largest banks, those with \$10 billion or more in assets. In October, the Bureau released its first Supervision and Examination Manual for these banks.

Mortgage disclosure: To date, the CFPB has logged more than 22,000 comments on its proposed mortgage disclosure form, which combines both Truth in Lending and RESPA information, according to Date. Consumer testing on Round 4 of this proposed form is taking place in New Mexico – meanwhile, the public can comment on the two versions (one highlights a fixed-rate loan; the other an adjustable-rate loan) by sending an e-mail to CFPB_KnowBeforeYouOwe@consumerfinance.gov.

One mortgage industry trade group has pointed out that iPhones and tablets have already made

one of the proposed forms obsolete.

Regulatory review: The CFPB also has begun its review of regulations inherited from other agencies. “Changes in technology, market practices, and the legal landscape may have caused some of these rules to be obsolete, unnecessary, redundant, or counterproductive,” Date told members of Congress.

“Later this month, the Bureau will initiate a targeted review of these rules in search of ways to update and streamline the regulations. Consistent with the Bureau’s philosophy, we will ask the public to participate in this process from the beginning,” he said.

In the consumer education arena, the CFPB is ramping up its Office of Service-member Affairs, led by Holly Petraeus. Among the Office’s goals are: to protect military

families from predatory lending; to help them avoid foreclosure; to help them better understand military college benefits; to deal with auto lending issues; and to enforce fair lending and debt collection practices, as Petraeus describes on the CFPB blog.

The Office of Older Americans is off the ground too. Former Minnesota attorney general Skip Humphrey will lead this effort.

“We are committed to basing our judgments on research and data analysis. We will not shoot from the hip. We will not reason from ideology. We will not press a political agenda,” Date said at the conclusion of his remarks.

This article originally appeared in the online publication: www.CFPB-Journal.com. The site is sponsored by Fredrikson & Byron, a law firm based in Minneapolis.

BHC News, Continued from page 8

- ✓ ISB Bancorp, Inc., Tonica, Ill., filed to become a bank holding company through the acquisition of Tonica Bancorp, Inc., Tonica, and control of Illini State Bank, Oglesby, Ill.
- ✓ Notice filed by the Schneidemann Family for approval to increase control to more than 25 percent of Rock Rivers Bancorp, Rock Rapids, Iowa, and thereby indirectly control Frontier Bank, Rock Rapids, Iowa. ■

Association leadership set for 2012

New leadership for the Bank Holding Company Association was elected at the association's annual meeting, conducted in conjunction with the Fall Seminar on Oct. 4.

Bruce Ferden, Frandsen Financial Corp., Arden Hills, Minn., was elected President, beginning Jan. 1. Ferden served as BHCA Vice President during 2011.

Ferden will replace **Douglas Jilek**, Prairie Bancshares, Inc., Lester Prairie, Minn. Jilek will complete his term as President on Dec. 31, 2011 but will remain on the board for one year as Past President.

Douglas Farmer, Golden Oak Bancshares, Holmen, Wis., will become BHCA Vice President for 2012.

Larry Peterson, First Financial Services, Inc., Moose Lake, Minn., will become BHCA Treasurer for 2012, replacing **Charles Robasse**, Wabasso Bancshares, Inc., Wabasso, Minn. Robasse will remain on the board of directors.

Two new directors will begin three-year terms on Jan. 1. **Robert Etter**, Farmers & Merchants Agency, Pierz, Minn., and **Erick Gan-**

drud, Eagle Investment Company, Inc., Glenwood, Minn.

Two directors will be leaving the board upon completion of their service on Dec. 31, 2011: **Patrick Gates**, Security Financial Services, Inc., Hibbing, Minn., and **Steven Wilcox**, who will complete his officer's term as Past President.

The Bank Holding Company Association Board of Directors consists of 10 members. The other three members are **James Kramer**, Southeast Minnesota Bancshares, Inc., Altura, Minn., **Gary Paulson**, First Holding Company of Park River, Inc., Park River, N.D., and **William Rosacker**, United Bankers' Bancorporation, Inc., Bloomington, Minn.

Ferden will become the organization's 29th President since the BHCA was started in 1981. Since the beginning, two bankers have served two one-year terms as BHCA President: Steven Kirchner, Richfield State Agency, Richfield, Minn., was BHCA President in 1992 and 1999; Steven Wilcox, Wilcox Bancshares, Grand Rapids, Minn., served as President in 2009 and 2010. ■

OCC meeting, Continued from page 3

banks are CAMELS 1; 71 percent are CAMELS 2; 15 percent are CAMELS 3; 4 percent are CAMELS 4 and 2 percent are CAMELS 5. In the last decade, the number of CAMELS 2 banks has increased from 60 percent, and the number of CAMELS 1 banks has decreased from 34 percent. The comment was made that "2 is the new 1."

Baranowski also delivered these statistics regarding national banks in the Central District:

- Percentage of classified assets to capital has increased from 16 percent in 2004 to 36 percent today.
- Percentage of "special mention" assets to capital has increased from 10 percent in 2004 to 13 percent today.
- Percentage of ALLL to total loans increased from 1.22 percent in 2004 to 1.41 percent today.
- Loan growth has diminished from 8.5 percent annually in 2004 to negative 1.8 percent annually today.
- Average return on assets dropped from 0.62 percent in 2004 to 0.41 percent today.

Prior to the meeting, I sent an email to our members who have national bank charters, asking whether they had any questions they would like me to bring to the OCC. One member responded, and I was able to ask two questions on his behalf. This is part of the value of BHCA membership; I welcome the opportunity to bring your concerns to the appropriate regulatory bodies when we get the opportunity.

The relationship between regulators and bankers is extremely important; BHCA will continue to work to enhance that relationship to the benefit of our members. ■

2012 WEBINARS



The Bank Holding Company Association presents...

2012 Quarterly Webinar Series:

- Feb. 9: **Making the most of your holding company charter**
Presenter: Fredrikson & Byron
- May 24: **Tax and estate planning for bank owners**
Presenter: RSM McGladrey
- Sept. 13: **Bank acquisitions and valuations...to sell or not to sell**
Presenter: Country Club Bank Capital Markets Group
- Nov. 15: **Emotional issues surrounding succession planning**
Presenter: Eide Bailly

All webinars start at 10:00 a.m. Central Time and run for 60 minutes. Each date is a Thursday.

Each webinar is \$59 for BHCA members; \$99 for non-members.

Or, for **best value**, buy a series pass. BHCA members are invited to **register for all four webinars** by purchasing a series pass for \$175. Series pass available only until Feb. 1.
Not a member?

Call 1-800-813-4754 to inquire about membership.

These webinars are ideal for owners, senior officers, managers and others working with bank holding companies. The Bank Holding Company Association is devoted exclusively to education related to bank ownership and holding company issues.

Register today at: www.theBHCA.org

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Bank Holding Company News

Following is a partial report of recent bank holding company filings with the Federal Reserve Banks of Minneapolis and Chicago:

- ✓ Change in control notice filed by the R. Joseph Olk Revocable Trust to acquire 10 percent or more of Headwaters Bancorp, Inc., Land O' Lakes, Wis., which owns Headwaters State Bank, Land O' Lakes, and to join the Olk Family Group, which controls Headwaters Bancorp, Inc. R. Joseph Olk, M.D., Chesterfield, Missouri, trustee of Trust, to retain control of Headwaters Bancorp, Inc.
- ✓ Mountain Iron Holdings, LLC, Buhl, Minn., filed to become a bank holding company by acquiring Timberland Bancorporation, Baxter, Minn., and thereby acquiring First National Bank of Buhl.
- ✓ Bitterroot Holding Company, Lolo, Mont., filed to merge with Ravalli County Bankshares, Inc., Hamilton, Mont., and thereby acquire Ravalli County Bank, Hamilton, and, also as a result of the merger, to increase its ownership of West One Bank, Kalispell, Mont., from 34.92 percent to 63.73 percent.
- ✓ Change in control notice filed by the Gregory R. Raymo Revocable Living Trust Agreement, Worthington Minn., and Barbara J. Raymo, Worthington, to join the Gregory Raymo family group, and thereby indirectly gain control of First State Bank Southwest, Pipestone, Minn.
- ✓ Change in control notice filed by Mark E. Davis, St. Peter, Minn., to acquire 25 percent or more of Riverland Bancorporation, Jordan, Minn., and thereby gain control of Riverland Bank, Jordan.
- ✓ Midwest Bancshares, Inc., Tyndall, S.D., filed to become a bank holding company by acquiring Security State Bank, Tyndall, and Midwest Bancshares, Inc., Tyndall, to acquire Dakota Heritage State Bank, Chancellor, S.D. In addition, Midwest Bancshares, Inc., filed to acquire Chancellor Insurance Agency, LLC, Chancellor, and thereby engage in insurance agency activities in a town with a population not exceeding 5,000.
- ✓ Burling Bancorp, Inc., Chicago, filed to become a bank holding company by acquiring Burling Bank, Chicago.
- ✓ The Grundy National Bank of Grundy Center, Iowa, filed to become an Iowa state chartered member of the Federal Reserve System following its conversion from a national bank to a state bank.

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