



**Bank Holding  
Company Association**

Fourth Quarter, 2010

# Newsletter

Volume 25, No. 4

## BHCA management change set to start January 1



**Tom Bengtson**

The Board of Directors for the Bank Holding Company Association has hired Tom Bengtson to manage the association beginning Jan. 1, 2011. An agreement was signed on Dec. 9, culminating a five-month search to find new management in the wake of W. Dennie Emmans' retirement scheduled for Dec. 31.

Bengtson will be the lead contact for BHCA in the new management arrangement, in addition to publishing *NorthWestern Financial Review* magazine through NFR Communications, Inc.

Bengtson will be responsible for managing all aspects of the Bank Holding Company Association including the production of its Spring and Fall seminars, publishing a quarterly newsletter and annual directory, hosting board meetings, and administer-

ing association business. Membership retention and new member recruitment also are an important part of the responsibility.

The management arrangement gives the association significant opportunity to reduce operating expenses. The current BHCA office in Coon Rapids, Minn., will be relocated with the association operations moving to the offices of NFR Communications, located in Edina.

The search for a replacement for Emmans began last summer after he announced his retirement. Fifty-two resumes were submitted in response to employment ads that ran in July and August. Five candidates were interviewed in October by a four-member search committee.

"It was a unanimous choice to go with Tom and NFR Communications," said BHCA President Steve Wilcox, president of Wilcox Bancshares, Inc., Grand Rapids, Minn. "He has the industry experience and knowledge to move our association forward. His proposal to manage the association was the kind of 'outside-the-box' thinking that we need."

"The association is a very good fit with NFR Com-

munications because both serve bankers in the Upper Midwest region," Bengtson said. "Also, because BHCA is not involved in lobbying, it does not compete at the state Capitol or in Washington D.C. with any of the other associations. The BHCA has a narrow educational niche, focused on bank owners, directors and principal shareholders."

Emmans will remain available for consultation to the BHCA throughout the first half of 2011 to ease the transition. The Spring Seminar is already established for May 2-3 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn.

NFR Communications has a long history of collaboration with the BHCA. *NorthWestern Financial Review* magazine has been covering BHCA seminars since the 1980s; furthermore, the company has produced the BHCA newsletter since 1987.

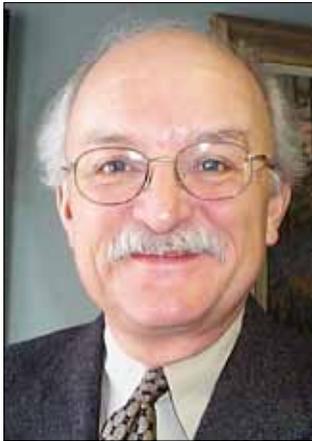
BHCA plans to conduct a membership survey in early 2011, followed by board-level strategic planning for moving forward. "It's an exciting time for the association and I look forward to being a part of it," Bengtson said. ■

*Effective Jan. 1, 2011, the new contact information for the BHCA will be:*

**Tom Bengtson, Managing Director**  
7400 Metro, Blvd., No. 217  
Edina, MN 55439  
Tel: 952-835-2248 or 1-800-813-4754  
Fax: 952-835-2295  
Email: [info@theBHCA.org](mailto:info@theBHCA.org)

# President's Column

Steven M. Wilcox  
President, Wilcox Bancshares.  
Grand Rapids, Minn.



Dennie Emmans has done a tremendous job leading the Bank Holding Company Association for the last 17 years. Dennie is retiring at the end of this month and he will be greatly missed. At our December board meeting, we had an opportunity to honor Dennie with a plaque and a toast. I will probably never be able to sufficiently express my gratitude toward Dennie

for all he has done for our association.

Since 1993, under Dennie's leadership the Bank Holding Company Association has earned a reputation for quality, educational seminars. The speakers are always informative, and the topics covered do not duplicate the material offered by other associations. I am not the only one who recognizes the quality of BHCA events. After each seminar, we receive evaluations from participants who consistently praise the quality of the speakers, the program and the seminar formula. Dennie has really helped the BHCA refine its niche.

As I close out my second year as BHCA president, I have had the opportunity to work with Dennie through several board meetings. He was always thoroughly prepared and provided the board with pertinent information in a timely manner. He was a professional, through and through.

Dennie also has done a great job representing the association at various industry events around the country. Dennie frequently attended the national conventions and most of the state meetings throughout the Upper Midwest. We really appreciate the opportunity to work with the various other trade groups; Dennie worked over the years to cultivate those relationships.

The thing that I really enjoy about Dennie, though, is his personable nature. He is always upbeat and usually has a story to share. A smile and a handshake come easy from this guy. Whether on a golf course or over a good meal, it's a lot of fun to be around Dennie.

Dennie, speaking for the entire BHCA board, we wish you all the best!

Best wishes to all of you this Holiday season. May the coming year bring us all prosperity. ■

## Welcome New Members

The Bank Holding Company Association is pleased and honored to welcome the following new members who have joined our Association during 2010:

**Bryan D. Bruns, President**

Lake Central Financial, Inc., Annandale, Minn.

**Nancy Skophammer, President**

Hartland Bancshares, Inc., Hartland, Minn.

**Trent Tarvestad, President, Scott Thompson, Secretary**

Ramsey Financial Corporation, Devils Lake, N.D.

**Marilyn Senty Ivers, President, Dennis R. Meyer, Vice President**

Northern Financial Corp., Independence, Wis.

**James C. Gray, President, Thomas R. Germann, Vice President**

Superior National Banc Holding Company

**Norma J. Sletteland, President**

PFSB Bancorporation, Inc., Pigeon Falls, Wis.

In addition, the Association welcomes the following new associate members who have joined us in 2010:

**Steve Davis, Regional Director, Tim Anderson, Business Development Advisor**, Promontory Interfinancial Network, Des Moines, Iowa

**Patrick Gaughan, President, Dan Hebert, VP of Commercial Accounts**, Gaughan Companies, Forest Lake, Minn.

*Specialize in commercial real estate brokerage services. Provide consulting and representation for clients buying, selling and leasing commercial real estate.*

**Timothy A. Naumann, Vice President**, Bernstein Global Wealth Management, Minneapolis

*Bernstein is a research driven investment management firm. Our high net worth clients entrust us with approximately \$80 billion in assets because of our 40-year history meeting client objectives.*

**John Pope, Owner**, John Pope Company, Minneapolis

*Provide business consulting services to community banks and small business in the areas of strategic planning, annual planning, marketing and sales.*

**Stephanie Laitala, President, Jennifer Albrecht, Vice President, Marketing and Business Development**, Owl Bookkeeping and CFO Services, Minneapolis.

*Owl believes two things to be true about a small business and its money. One, it should be stable and secure. And two, there should be more of it. Our team of bookkeepers, controllers, CFOs and turnaround experts bring their wealth of expertise and wisdom to accomplish these objectives for clients.*

**David R. Weir, Partner**, Lenders Capital Resources, LLC, Wayzata, Minn.

*Specialized Loan Recovery Strategies and Solutions for Lenders – Maximized Results for Complex Situations – CRE Loans, Commercial and Hotel Loans, Loan Participations and O.R.E.O.*

**Gerry Hart, Account Executive**, The Baker Group, Oklahoma City, Okla.

*The Baker Group is a leader in the development of innovative asset/liability and investment portfolio management services for community banks. 1-800-937-2257, www.gobaker.com.*

**Dan Mulvaney, M & A Advisor**, Sunbelt Business Advisors, St. Paul, Minn.

*Sunbelt provides merger and acquisition services to banks and their customers.*

**Cathy Berch, President, Kent Dunham, Director of Business Development**, Center for Practical Mgmt., Boulder Junction, Wis.

*Welcome New Members, Continued on page 5*



**2010  
Bank Holding  
Company Association  
BOARD OF DIRECTORS**

*Officers:*

**President**

**Steven M. Wilcox**  
Wilcox Bancshares, Inc.  
Grand Rapids, Minn.

**Vice President**

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

*Directors:*

**Douglas L. Farmer**

Farmer Bancshares, Inc.  
Holmen, Wis.

**Bruce Ferden**

Frandsen Financial Corporation  
Arden Hills, Minn.

**Patrick J. Gates**

Security Financial Services, Inc.  
Hibbing, Minn.

**James C. Kramer**

Southeast Minnesota Bancshares, Inc.  
Altura, Minn.

**L. Lee Madetzke**

North State Bancshares, Inc.  
Shakopee, Minn.

**Gary W. Paulson**

First Holding Co. of Park River, Inc.  
Park River, N.D.

**Charles Robasse**

Wabasso Bancshares, Inc.  
Wabasso, Minn.

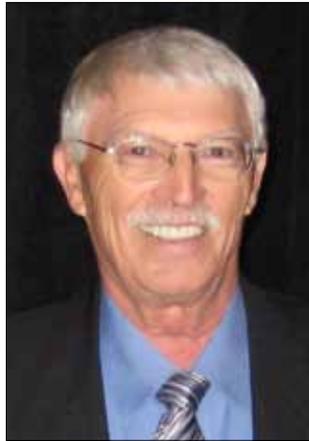
**EXECUTIVE DIRECTOR:**

W. Dennie Emmans  
Northtown Financial Plaza  
Suite 305  
200 Coon Rapids Blvd., NW  
Minneapolis, MN 55433

*The BHCA Newsletter is published quarterly by the Bank Holding Company Association for its members. To submit an article, please contact BHCA Executive Director Dennie Emmans at 763-784-3222 or 1-800-813-4754. FAX: 763-784-4546, e-mail: wdebhca@aol.com.*

## Director's Column

By W. Dennie Emmans  
Executive Director



A warm and grateful "thank you" goes out to the approximately 220 members and guests who attended the Bank Holding Company Association's Fall Seminar Oct. 4-5 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn.

The follow-up communications I have received, both written and oral, indicate that this seminar was very successful in all aspects of our mission to provide quality educational programs to our members.

While I won't go into specific detail regarding the Fall Seminar, as it is covered elsewhere in this edition of the Newsletter, I do want to thank all of the speakers who made this seminar a success. Their professional presentations of timely topics and issues were informative and most appreciated.

### New Directors Elected

I am pleased to announce that the following individuals were elected or re-elected to a three year director term commencing January 1, 2011 at the annual membership meeting held on October 5, 2010 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn.

- Gary W. Paulson, First Holding Company of Park River, Inc., Park River, N.D.
- Larry D. Peterson, First Financial Services of Moose Lake, Inc., Moose Lake, Minn.

One of the benefits of my job is that through our Board of Directors and our membership, I get to work with some very talented and successful people. Therefore, I am saddened when a member leaves the board due to a variety of reasons. Just such a situation exists this year with the retirement of outgoing director Lee Madetzke, North State Bancshares, Inc., Shakopee, Minn.

During my tenure at BHCA I have had the opportunity to work with Lee and within this time period I have learned many times over why he and the bank holding company he represents are so successful. Many thanks to you, Lee, for your guidance, leadership and dedication that you have given me, our membership and the BHCA Board of Directors over the past six years.

I would also like to thank all of the directors for their leadership during the past year. Your dedication to the Bank Holding Company Association is commendable and most appreciated. A special thank you to Steve Wilcox whose service as President during 2010 was truly outstanding. Steve, your leadership and guidance during the past year helped to make it one of our most successful endeavors.

### New Officers Elected

I am pleased to announce that the following individuals were elected to officer position for 2011 at the annual Board of Directors meeting held on December 9, 2010.

- President: Douglas Jilek, Prairie Bancshares, Inc., Lester Prairie, Minn.

*Director's Column, Continued on page 5*

# Pro-active approach urged by seminar speakers

*Regulatory environment, economic conditions set stage for challenging future*

Speaking at the Fall Seminar of the Bank Holding Company Association, leading consultants to the banking industry told bankers to prepare for the future. Philip Smith, president of Gerrish McCreary Smith of Memphis, Tenn., and Minneapolis-based consultant Jeff Judy shared observations in front of more than 200 bankers who had gathered Oct. 4-5 at the Minneapolis Airport Marriott Hotel in Bloomington, Minn.

In addition, Wells Fargo economist Eugenio J. Aleman warned that a slow housing market is going to prevent the economy from roaring back anytime soon. And, Kinney Misterek, assistant vice president in the supervision, regulation and credit division at the Minneapolis Fed, gave bankers an update on the latest in new legislation and regulation.

Smith warned of anticipatory regulation, among other things, while Judy stressed that it has never been more important for bankers to understand “covariance.”

“The regulatory pendulum has swung the other way,” Smith said, noting that for many years the regulators honored the industry’s cries for hands-off supervision. Now, regulators are being criticized by the public and by lawmakers who say they should have intervened more ag-

gressively. Regulators have toughened up in response, and many of them have adopted unrealistic expectations, Smith said.

Both Smith and Judy told bankers they should stand up to regulators who make unfair or unwarranted demands on them. “The regulators are not the final arbiter of outcomes. You have options. Just because a regulator says he’d like to have things done a certain way doesn’t mean you roll over and do it that way. If you really don’t believe that isn’t appropriate, stand up,” Judy counseled.

“Some bankers are challenging regulatory demands and they are succeeding,” Smith said. “If every banker said no to every regulatory enforcement action, the administrative courts would be clogged.”

Smith said regulators are moving toward anticipatory regulation. He explained a situation where a bank client had solid fundamentals but because it was growing, the regulators gave it a lower CAMELS rating. When Smith asked about it, the regulator said they didn’t believe the bank’s management could handle the growth. So even though everything was fine at present, regulators rated the bank based on what they anticipated happening down the line.

Smith further urged bankers to lower their earnings expectations as they redefine success, consider

acquisition opportunities as prices are low, and remove weak board members as good corporate governance has never been more important.

Bankers should shape the credit culture at their institutions according to board policy, involving every employee, Judy urged. He said that instead of thinking in terms of making individual loans, lenders need to think in terms of the entire portfolio. “You don’t need a loan policy, you need a credit policy,” he said. “Every loan decision is a portfolio decision.”

By considering the inter-relationship between loans in a portfolio, a banker is considering possible outcomes, rather than simply processes. Judy slammed the emphasis other industry experts put on best practices, saying the real concern should be best outcomes.

In search of best practices, banks too often imitate the competition without thinking about the consequences. A strategy that works for another bank might not be appropriate for your bank, he said. The best banks, he said, focus on outcomes.

“Banks exist to fulfill dreams,” he said, with their only two products: money and information. A bank’s services fall into three categories, he further explained: convenience, (facilitating payments); credits (replenishing the customer’s cash shortfall);



*Consultant Philip Smith expressed concern over anticipatory regulation.*

and wealth management (building or protecting the customer's wealth).

Whereas experts used to say bankers are financial intermediaries, he said bankers should think of themselves as risk intermediaries. "Our employees, our boards, our staff, everyone needs to understand their job is risk intermediation," he said.

Although there are challenges in banking, Judy urged bankers to communicate positively.

"Let's focus on the future. Problems are here now but they won't be here forever. Things will get better," he said. "Let's start thinking about when they get better instead of dwelling on the problems."

### Fed Update

Updating bankers on regulatory issues, Misterek said the Federal Reserve is mandated to develop prudential standards for banks with more than \$50 billion in assets, but he said, community bankers can expect those standards to trickle down to them.

The rule-writing process surrounding the creation of the new Consumer Financial Protection Bureau "will have direct impact on all banks," he said. "It will have a different focus than the way consumer regulations currently are enforced.

"What we are going to see is a different mindset. The current regulators balance safety and soundness with consumer protections," he explained. "At the new agency, the primary function will be consumer protection."

He said CFPB will be

"powerfully influential going forward."

Misterek also shared insights into FASB's Financial Instruments Project, which includes an effort to get banks to value loans at market. "Regulators have expressed a lot of concern about this," he said. "They view it as a game-changer."

Misterek said if adopted, FASB's proposal would vastly change the way a bank presents its balance sheet. He commented that it will be very difficult to find fair market value for most bank loans. "This has the potential to be very disruptive," he said.

Will it affect capital? "Maybe yes, maybe no," Misterek answered. "It is possible it won't affect regulatory capital."

### Slow economic recovery

Although the economy is recovering, it will be years before employment regains 2007 levels, and the housing market is likely to remain dormant for years, Aleman said.

Government intervention, which stimulated 6 percent GDP growth in the fourth quarter of 2009 and 4 percent during the first quarter of 2010, is easing, so the nation's rate of economic growth is slowing. Second quarter GDP

growth was 1.7 percent.

"The U.S. economy lost 9 million jobs during the recession in two years," he said. "We will need five years to recover those lost jobs. If the economy grows on a sustained basis adding 200,000 jobs per month, it almost takes five years to bring them back," he said.

The current employment situation is bleaker than it was during the 1980s, he explained.

Aleman said the current situation is more serious than the 1980s recession because of its structural nature. "The pre-recession economy is very different from today's economy. Real estate brokers and construction workers — those are sectors that will not come back anytime soon. So we have to rely on other sectors to create jobs. And we are still waiting. Unemployment is going to remain high for many years."

Aleman also noted that it is taking unemployed people up to 36 weeks to find another job; in the 1980s recession, it was taking 22 weeks.

The bleak outlook for the housing industry affects the entire economy, Aleman said. "The housing market is not going to take the economy out of recession. Something else will have to do that." ■

## Director's Column

*Continued from page 3*

- Vice President: Bruce Ferden, Frandsen Financial Corporation, Arden Hills, Minn.
- Treasurer: Charles Robasse, Wabasso Bancshares, Inc., Wabasso, Minn.
- Past President: Steve Wilcox, Wilcox Bancshares, Inc., Grand Rapids, Minn.

### Happy Holidays, Thank You and Bon Voyage!

On behalf of Sue, myself and all of the people involved in the Bank Holding Company Association we would like to wish you a happy holiday season and much success during the New Year. After 17 years of writing this Director's Column, I would like to thank each and every one of you for your membership, professionalism and support to Sue, me and BHCA. I am confident that we are leaving the Bank Holding Company Association in good hands with Tom Bengtson as Managing Director as well as an outstanding Board of Directors. Thanks again and may God bless you all. ■

## Welcome New Members, *Continued from page 2*

*Helping banks get better business results by giving managers the skills they need to build better relationships with their employees. We have decades of experience in the banking industry designing and deploying management systems, and coaching managers. We transform the way people manage*

**Lynn F. Hebel, Vice President**, Fifth Third Bank, Eagan, Minn. *Fifth Third Bank's Correspondent Banking Group has more than 100 years of experience in providing correspondent banking services. Our focus is on delivering a comprehensive suite of core banking services to the financial institution market. Primary services include, but are not limited to: cash letter, EFT processing, treasury management, lending, investment management, securities and international services.* ■

# Take your organization farther, faster by keeping score

By Stephanie Laitala,  
Owl Bookkeeping  
and CFO Services

One of the most common complaints among business owners is lack of team accountability and sense of ownership. All too often I hear, “How can I get everyone rowing in the same direction and working diligently to achieve our organization’s goals?” Believe it or not, there is a simple, clear-cut solution

the lagging indicator. For example, in a direct mail campaign that leads to revenue, the mailing campaign is the leading indicator; the revenue generated from the campaign is the lagging indicator.

A scorecard provides a clear way to review lagging and leading indicators together — crucial in achieving a complete assessment. Reviewing lagging indicators without considering leading indicators doesn’t show how the results were achieved. There are no alerts and warnings about current problems or indicators of success toward achieving the organization’s strategic goals.

Similarly, leading indicators without lagging indicators encourages the team to concentrate only on short-term performance. Lagging indicators help the team look backward, while leading indicators help the organization look forward and take preventive actions to improve performance and achieve strategic goals.

Refer to the sample scorecard: The Measurable and Goal columns list specific actions and target numbers — the leading indicators. The last three columns show actual numbers — the lagging indicators. The first column specifies who is responsible for each indicator.

If you’re checking performance measures monthly, indicators won’t be the

only thing lagging. The scorecard is most effective when reviewed weekly. The 20 minutes it takes to collect the data can make a world of difference.

With fresh data each week, business leaders should ask one important question: Are we meeting goals? If so, keep rowing. If not, get to the root of the problem right away.

What does this have to do with accountability? There is a saying: “What gets measured gets done.” Notice in the example that the initials in the far left column show *who* is responsible for that indicator, and that’s where the buck stops. A powerful thing happens when you get a management team together in a room looking at these numbers. Nobody wants to say they failed to uphold their end of the process or they didn’t make their numbers. Performance indicators focus employee attention on those tasks and processes considered most crucial to success. With the scorecard, people start to proactively manage to their numbers.

Scorecards are powerful agents of organizational change that create focus, improve collaboration, and assign accountability. Without those key factors, a business can be left stranded in the water, fighting the current. When everyone on the team rows in the same direction, it’s smooth sailing. ■

Sample Scorecard

Who	Measurable	Goal	22-Feb	1-Mar	8-Mar
LS	Billable Hours	2250	2242	2270	2235
LS	Bench Hours	200	250	225	150
KD	Sales Appointments Kept	45	30	35	49
KD	Contracts Signed	5	4	7	3
KD	Prospects in Pipeline	80	107	110	112

to this problem. Business owners, meet the Scorecard.

The Scorecard, sometimes called a Dashboard, measures key performance indicators. It allows business owners and leaders to tightly link specific actions to strategies and goals.

There are two types of measures: leading indicators and lagging indicators. Leading indicators evaluate actions influencing future results of the work, while lagging indicators (like most financial indicators) make it possible to measure results of past work.

Leading indicators are the equivalent of putting your foot on the gas pedal. If a little pressure is applied, such as the investment of time or money, a direct result is seen — that’s

*Owl Bookkeeping and CFO Services is an Associate Member of the Bank Holding Company Association. It provides outsourced accounting services to small and mid-sized companies through full-charge bookkeepers, controllers and CFOs. Owl President, Stephanie Laitala can be reached at 612-816-6007 or [Stephanie@owlbookkeepingandcfo.com](mailto:Stephanie@owlbookkeepingandcfo.com).*

# Managing winter weather risks

By Craig Collins



*Craig Collins is president of OneBeacon Financial Services which provides insurance to community banks. OneBeacon Financial Services is an Associate Member of the Bank Holding Company Association.*

Each year, thanks to winter accumulations of ice and snow, pedestrians risk slipping and falling on sidewalks or in parking lots. When this happens on a commercial property, the owners can be held accountable, depending on specific state and local laws. Sometimes, this can result in business owners being required to make monetary reparations to the victims.

Bank professionals are just as susceptible to being liable for such incidents as any other commercial establishment.

Without taking precautions or making practical efforts to maintain a basic level of upkeep, financial services professionals may open themselves up to liability, resulting in lawsuits filed by parties injured on bank property.

In order to help mitigate your bank's risk of incurring liability as a result of poor winter maintenance, a winter weather response plan should be developed.

The baseline for this plan is the assessment and diagramming of your business site. Prepare a diagram of your site, noting the parking areas, all entrances, fire hydrants, and any other notable features that are important to identify when considering snow and ice removal. Also, you might consider including the locations of trouble spots, meaning those places where ice or puddles have been known to repeatedly surface. This diagram could prove invaluable during

winter storms, as it can help prioritize the order of cleanup work and make it easier to see what tasks have yet to be completed. Additionally, diagramming your site may be helpful should your business be sued by a patron injured on your property.

Once you have assessed and diagrammed your location, the steps of your response plan should be outlined including assigning responsibility for decision-making during a winter storm. Make sure these steps are specific and clear. Considerations include when service crews should be preparing walkways with salt and deicers, determining where plowed snow will be stored, how to prevent refreezing of paths and times that walkways and parking lots are to be cleared of snow. By being unambiguous with the instructions, there will be no misunderstanding among staff as to what the expectations are during winter weather.

Being prepared entails two major considerations. First, ensure appropriate supplies are on hand in the required quantities for your property. Winter essentials, such as sand, salt, shovels, etc., should be purchased ahead of the season and stored so that they are readily available when necessary. Additionally, advance purchasing will help you avoid the rush of shoppers looking for these items for their homes and businesses when a storm is imminent,

making it less likely that you will find that stores have run out of these items when you need them most.

Second, the physical condition of safety items, such as rubber mats, should be assessed so that anything that is damaged is noted in time for repair or replacement. Also, snow removal equipment (plows, snow blowers) should be examined and repaired as needed. And keeping spare parts can help prevent a delay in the repair process in the midst of a winter storm.

When working with outside contractors for services such as snow removal, documentation is essential for protecting yourself in the event of a lawsuit. Formal, written contracts are a must; relying on an oral agreement is insufficient when you are considering service that will protect your clients from injury. Make sure that contracts include risk transfer clauses to help reduce the chance of liability losses associated with winter weather. Also, when looking for a snow removal service, select reputable contractors that are appropriately insured.

Winter weather can be invigorating but remember that it also brings some serious risks that need to be considered by all businesses. Snow and ice will not necessarily inhibit customers from coming to your bank to conduct business. With slip-and-fall-related injuries fairly common in winter, bank management should take note. ■

**Bank Holding  
Company Association**

Northtown Financial Plaza,  
Suite 305  
200 Coon Rapids Blvd. N. W.  
Minneapolis, MN 55433-5893

ADDRESS SERVICE REQUESTED

FIRST-CLASS  
U.S. Postage  
**PAID**  
Minneapolis, MN  
Permit No. 2967

**INSIDE THIS ISSUE**

Management change..... 1  
President's column ..... 2  
New members ..... 2  
Director's column..... 3  
Seminar coverage..... 4-5  
Keep score ..... 6  
Winter risks..... 7  
BHC news..... 8

## Bank Holding Company News

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

✓ Bigfork Bancshares, Inc., Bigfork, Minn., filed to acquire Kelliher Bancshares, Inc., Kelliher, Minn., and thereby acquire Citizens State Bank of Kelliher. Also, retroactive notice filed by Bigfork Bancshares to engage, *de novo*, in extending credit and servicing loans.

✓ Robert Engen and Beverly Engen, both of Tolna, N.D., with Steven Engen, Bismarck, N.D., filed to retain and acquire 25 percent or more of Tolna Bancorp., Inc., Tolna, and thereby retain and acquire control of The Farmers & Merchants State Bank of Tolna.

✓ Retroactive change in control notice filed by James A. Jorgenson, Kenmare, N.D., to acquire 18 percent or more of Bozeman Bancorp., Inc., Bozeman, Mont., and thereby acquire Bank of Bozeman.

✓ First Harvey Bancorporation, Inc., Harvey, N.D., filed to acquire First State Bank Agency, LLC., Harvey, and thereby engage in insurance agency activities in a place with a population not exceeding 5,000.

✓ Retroactive application filed by Bitterroot Holding Company, Lolo, Mont., to increase its ownership to 34.9 percent from

31.9 percent of West One Bank, Kalispell, Mont.

✓ Change in control notice filed by Rick E. Skates and Kathy A. Skates, both of Polson, Mont., to acquire 25 percent or more of Flathead Lake Bancorporation, and thereby acquire control of First Citizens Bank of Polson, N.A., Polson.

✓ Midwest Bank Group, Detroit Lakes, Minn., proposes to engage in lending activities.

✓ Frandsen Financial Corporation, Arden Hills, Minn., filed to acquire Island Financial Corp., Bird Island, Minn., and thereby

acquire State Bank of Bird Island.

✓ Notice filed by Shawn Paul Weinand and Linda Lou Weinand, both of Tonka Bank, Minn., to acquire control of Alliance Bank Shares Corp., Andover, Minn., and thereby indirectly gain control of 1st Regents Bank, Andover.

✓ Change in Control Notice filed by Margaret Thelen, Baxter, Minn., and others to retain control of American Bancorporation of Minnesota, Brainerd, and thereby retain control of American National Bank of Minnesota, Baxter. ■