theBHCA.org — Spring 2019

# Bank Owner

Bank Holding Company Association Magazine

## Tech Decisions:

» Should I move my bank to the cloud?

» Tips to insure a successful conversion

## Key Trends for 2019

## Fed: Considerations for small HCs

## Plus: Sign up for upcoming events

» April 11 - Kansas City Bank Owners' Boot Camp

» May 6–7 - Minneapolis 2019 Spring Seminar

## The following companies are Associate Members of the BHCA:

**Ballard Spahr, LLP**
Minneapolis
Scott Coleman
612-371-2428

**BancList**
Overland Park, Kan.
Charles L. Perry, Jr.
603-363-8100

**Bank Financial Services Group**
Edina, Minn.
Mark Blake
800-931-7782

**Barack Ferrazzano, LLP**
Chicago/Minneapolis
Joseph Ceithaml
312-629-5143
952-500-9991

**BKD CPAs & Advisors**
Kansas City, Mo.
Michael Flaxbeard
816-221-6300

**Boardman & Clark LLP**
Madison, Wis.
John Knight
608-283-1764

**Brady, Martz & Assoc.**
Grand Forks, N.D.
Ryan Bakke
701-420-6856

**Business Credit Reports**
Gallatin, Tenn.
Debbie Golbach
615-989-7005

**CASE**
Anoka, Minn.
Troy Case
763-323-1048

**CBIZ**
Minneapolis
Kris St. Martin
763-549-2267

**CliftonLarsonAllen, LLP**
**Minneapolis**
Neil Falken
612-376-4532

**Country Club Bank**
**Eden Prairie, Minn.**
Josh Kiefer
612-851-0310

**D.A. Davidson & Co.**
Chicago
Steve Nelson
312-525-2769

**David R. Peltz & Co., P.C.**
Minneapolis
David R. Peltz
952-525-0336

**Dorsey & Whitney LLP**
Minneapolis
Jay Kim
612-492-6144

**Dougherty Funding LLC**
Minneapolis
Greg Bolin
612-317-2000

**Eckberg Lammers, P.C.**
Stillwater, Minn.
Nick Vivian
651-379-3080

**Edelman & Co., Ltd.**
Milwaukee
Robert Edelman
414-228-9314

**Eide Bailly LLP**
Fargo, N.D.
Gary Smith
303-586-8510

**Equias Alliance**
Prior Lake, Minn.
Eric Hilgenberg
952-435-7737

**FHLB-Des Moines**
Johnston, Iowa
Mike Farrell
515-471-4008

**Fiserv**
Minneapolis
Brett Scholder
651-270-1189

**Fortress Partners**
**Hartland, Wis.**
Jon Bruss
262-369-1095

**Fredrikson & Byron P.A.**
Minneapolis
Karen L. Grandstrand
612-492-7153

**Gray Plant Mooty**
Minneapolis
Sally Stolen Grossman
612-632-3007

**Hovde Group LLC**
Chicago
Kirk Hovde
312-436-0779

**Howard & Howard Attorneys**
Royal Oak, Mich.
Michael M. Bell
248-723-0493

**HTG Architects**
Eden Prairie, Minn.
Jeff Pflipsen
952-278-8880

**Insurance Strategies, Inc.**
Elm Grove, Wis.
Deb Forsaith
800-236-6866

**JPMorgan Chase Bank N.A.**
Milwaukee
Doug Gallun
414-977-6724

**J.T. Miller Company, Inc.**
Hamel, Minn.
Daniel D. Miller
763-512-1950

**Malzahn Strategic**
Maple Grove, Minn.
Marci Malzahn
612-242-4021

New! See pg. 17

**Messerli Kramer**
Minneapolis
Michelle Jester
612-672-3718

**Modern Banking Systems**
Ralston, Neb.
Robert E. Neville
800-592-7500

**Northern State University**
Aberdeen, S.D.
Robert Preston
605-626-7964

**Oak Ridge Financial**
Minneapolis
Craig Mueller
763-923-2205

**Olson & Burns, P.C.**
Minot, N.D.
Richard Olson
701-839-1740

**OneBeacon Financial Services**
Plymouth, Minn.
Craig Collins
952-852-2434

**Performance Trust**
**Capital Partners**
Chicago
Michael Ritter
312-521-1459

**Piper Jaffray**
Minneapolis
JoAnn Hinnenthal
612-303-2157

**Promontory**
**Interfinancial Network**
Des Moines, Iowa
Steve Davis
515-240-5451

**Raymond James**
Memphis
John Fisher
901-579-2602

**Reinhart Boerner**
**Van Deuren s.c.**
Milwaukee
John T. Reichert
414-298-8445

**Roach Law Office, P.A.**
Minneapolis
Joe Roach
612-819-0209

**RSM US LLP**
Minneapolis
Hank Donatell
612-629-9670

**Sandler O'Neill + Partners**
Chicago
Chris Hopkins
312-281-3472

**SHAZAM**
Johnston, Iowa
Patrick Dix
800-537-5427

**Sheshunoff & Co.**
Austin, Texas
Curtis Carpenter
512-703-1578

The Bank Holding Company Association, founded in 1981, welcomes Members from around the country. Holding companies of all sizes from throughout the Midwest make up a majority of the current membership. Companies that serve bank owners, their holding companies and banks, are welcomed as Associate Members.

The *Bank Owner* magazine is the quarterly publication of the BHCA. The magazine is your best source for BHCA information, including upcoming events. Members receive the magazine in the mail and have access to an online version in the members-only section of our website, theBHCA.org. Managing Director Tom Bengtson serves as editor. Contact him at (952) 835-2248 or 1-800-813-4754 or email us at info@thebhca.org.



Bank Owner

Spring 2019

# CONTENTS

## Columns:



## On Topic:



## Seminar Previews:



## Departments:

# BHCA is only independent group focused on holding companies

By Rick Wall
*Highland Bancshares, Inc.*
*Minnetonka, Minn.*

Hello. I'm pleased to be given the opportunity to hold the office of President of the Bank Holding Company Association. I look forward to another year filled with valuable information and networking, much like we've seen over the last several years. Given that our industry has been consolidating for years, it's great to see the BHCA's trend of growing its Membership and Associate Member base continue.

With the recent assumption of the Western Independent Bankers into the Western Bankers Association, the BHCA is the only independent organization whose mission is to serve bank holding companies and their owners and directors. It gives us a unique opportunity to focus on topics that are critical to each one of us as owners and directors of bank holding companies.

A good example of how the BHCA serves this audience was one of the panel discussions from last year's Fall Seminar that I found particularly interesting. The panelists gave insights into the motivations, process and issues that led to the sale of Anchor Bank, the bank where I had my first checking account. It was a well-known and respected institution in the Twin Cities. As a bank owner and operator, it was insightful to hear the process ownership and the directors used, the decision-making steps they undertook and the conclusions that they reached. I appreciate the panel of former Anchor executive Dennis Nisler, Kevin O'Keefe of Sandler O'Neill, and Joseph Ceithaml of Barack Ferrazzano, each sharing the experiences they had throughout the transaction.

My career in banking started in the early 1980s when I spent a summer interning at the Security State Bank of St. Michael where I spent most of my time filing checks, a job that, gratefully, has been automated across our industry. After earning a degree in economics at The University of Colorado, I took a job in Texas, and later, Kansas City with the Prudential Insurance Company selling corporate employee benefits insurance. In 1994, I moved back to the Twin Cities to join Highland Bank. After serving in several roles in the bank, I was named CEO in 2000, the role I hold today.

My first experience with the BHCA was in the mid-1990s. I can distinctly remember shouldering through a crowded room of bankers during the cocktail hour, barely able to hear a conversation above the din of the crowd. I was looking for a friendly face or a new stakeholder in the banking industry to meet. Over the years I have gained many insights into our industry from the seminars, *Bank Owner* articles or from contacts made through the BHCA. Also, Highland has benefited from relationships with many of the other members and associate members of the BHCA.

It appears that many banks have had strong financial results in 2018. It's encouraging to see our industry with robust financial performance, strong credit quality and good growth.

The BHCA has expanded to include a broader reach than in the past, hosting events in Minneapolis, Iowa and Kansas City in the last couple of years. It has also expanded the breadth of its offering with a focus on M&A at the Fall 2018 seminar. The M&A focus was well received by Members and Associate Members; consequently, there already is significant interest in the Fall 2019 seminar.

Throughout this year, the board will work to clarify the strategic direction of the organization, and work to continue to offer the benefits each member enjoys. The organization is on sound financial footing and able to continue to meet the needs of its members. I'm optimistic that we will continue to be able to provide informative and insightful information

**President's Observations,** Continued on page 14

# BHCA continues to strive to serve owners, holding company bankers

You will notice a change in the format of *Bank Owner* magazine, as this edition does not include a list of holding companies and their subsidiaries. Since 2012 we have been running such lists, featuring a different state in each edition of the magazine.

This year, however, we are pleased to announce the launch of a brand new product – a special edition of the magazine that will provide a complete list of all the bank holding companies in the country, organized by state. Each holding company – and there are some 4,000 – will be named with its aggregate assets, and a list of its bank subsidiaries, also shown with asset figures. We are getting the information, based on Dec. 31 data, from the Federal Reserve Bank of Minneapolis. We sincerely appreciate their partnership in this project.

Over the years, I have received many comments from people throughout the banking industry who say they use the holding company lists we have been providing. We are excited about elevating our service by compiling this information in one easy-to-use volume that you can keep on your desk for handy reference throughout the year. We will mail one copy to every holding company in the country, and members will receive multiple copies so each person at your organization who is active in the BCHA gets a copy.

This directory will vastly expand the visibility of the BHCA. Our hope, of course, is to grow membership across the region and even the country. Nobody else is producing such a list, as far as we know, yet for people who work in holding companies, the information can be extremely useful. We are most pleased to be in position to step up and fulfill this need!

***If you know bankers in Kansas, Missouri or Oklahoma***, please encourage them to attend our Bank Owners' Boot Camp, set for April 11 in downtown Kansas City, Mo. We are once again partnering with the Stinson Leonard Street law firm to present a one-day seminar on foundational bank ownership topics.

We will cover a lot of ground between 9 a.m. and 5 p.m., with sessions designed for bank owners, holding company officers, senior-level bankers and directors. Topics to be covered include the latest in tax and accounting issues, what community banks need to do to preserve their independence, a look at the M&A landscape, a payments system update and a regulatory panel featuring representatives from the Federal Reserve, FDIC and OCC.  We are keeping the registration price low, so if you know someone who might benefit from this kind of a seminar, please encourage them to go to our website and register now.

While the BHCA is known for its Spring and Fall seminars in the Twin Cities, we may host more of these one-day events in other parts of the country. Certainly the demand for bank owner-oriented education is real. The BHCA is uniquely situated to provide that education.

Partnerships with Associate Members work particularly well for the BHCA to set up a seminar in a location other than the Twin Cities. In areas where partners can leverage customer and prospect lists, BHCA can provide the proven educational programming that creates a win-win event.

By Tom Bengtson
*BHCA Managing Director*

***When it comes to win-win events, I urge to you to attend*** our 2019 Spring Seminar, set for Monday-Tuesday, May 6-7 at the Hyatt Regency Bloomington-Minneapolis. The theme is Innovation *and* Performance. I like "innovation" as a seminar theme, but it doesn't mean much if it doesn't lead to improved performance. So this year's Spring Seminar features innovative approaches to banking that are designed to improve your organization's performance in terms of serving customers and shareholders.

Every presenter at this year's Spring Seminar brings leading-edge information and a provocative perspective to our main stage. Whether it's **Dave Schroepfer** from Wipfli, **Steve Williams** from Cornerstone Advisors, or **JP Nicols** from Alloy Labs, you will hear ideas that will make you think about how your organization might do more for its customers and owners. Futurist **Jack Uldrich** will both entertain and inform as our after-dinner speaker; luncheon speaker **Aaron Silva** will provide insight into negotiating the best core processing contract, and ICBA's **Kevin Tweddle** will host a panel of fintech execs who will explain how they hope to establish partnerships that will take banking to an entirely new level. This is an information-packed seminar that will help you prepare for a successful future.

And, of course, our seminars are a great way to connect with other bank owners and holding company pros from around the region. You can find more Spring Seminar information elsewhere in this magazine, and I encourage you to get the complete agenda and seminar description on our website at www.theBHCA.org. Register today!

***In my ninth year with the BHCA, I am happy*** that so many bankers are benefitting from our education and other offerings.

**Down to Business,** Continued on page 17

# Make the most of 2019 by watching key trends

By Brenda Waggoner

As business goes, so goes commercial banking. Strengthened by a relatively strong economy and a favorable regulatory environment, 2018 was a good one for small businesses, larger companies and corporations – and the financial institutions that serve them. But what will 2019 bring?

"We're hearing from clients that their commercial banking business is as healthy as it ever has been," said Sonja Kostron, director of product management, Bank Solutions, Fiserv. "But even in a strong economy, financial institutions will need to align to businesses' changing needs and other market shifts to ensure continued success. Ongoing investments will help ensure commercial banking remains a strong profit center and revenue source."

Two out of three small businesses continue to express optimism about the economy and their prospects for sales and growth, according to the latest Small Business Insights report from Raddon. That's despite challenges on the horizon, including rising interest rates, pressure from nonfinancial competitors, sluggish loan growth, and increased demand for an intuitive, immediate and inspired banking experience.

In the coming year, financial institutions will need to develop and enhance their commercial banking strategies to capture new business, increase revenue, and navigate the challenges and opportunities ahead. Here are three trends to watch:

### Quicker response to market changes

Competition from new players and the need to quickly bring new capabilities to the commercial market have made flexibility and response time more important than ever. To stay nimble, look for more financial institutions to embrace the advantages of connectivity and open integration.

Business leaders are short on time and looking for easy, intuitive experiences to help them manage day-to-day finances. And they're increasingly willing to leave their traditional bank to find those experiences. For example, Raddon found 32 percent of businesses were extremely or very likely to use an alternative lender to meet future financing needs, up from 23 percent in 2014. And 51 percent of millennial-led businesses have applied for a loan from an online lender that is not a financial institution.

While fintechs may not support every commercial payment, transaction or service, many potential capabilities would be in direct competition with traditional financial institutions.

To compete in that kind of a market, financial institutions will need to respond faster to businesses' changing needs. For most, that will mean implementing solutions through traditional channels; others may choose to work with fintechs to add capabilities.

"There are definitely advantages to working with fintechs and that requires an open infrastructure," said Kent White, vice president of product management, Bank Solutions, Fiserv. "Integrating and offering new capabilities enables smaller institutions to attract, retain and support larger corporate clients and position organizations to take advantage of continued, incremental enhancements to technology platforms."

### Faster commercial payments

Real-time or same-day payments are a growing need and expectation for commercial clients. The faster businesses get paid, the sooner funds are injected into their cash flow – and the quicker they can invest and earn. Immediacy is just as important when making payments. Real-time confirmation of payments made, accepted and recorded provides businesses real-time confirmation of funds availability.

Raddon found that 72 percent of small business owners currently use or would be likely to use expedited payments if the service were offered by their financial institution. And almost half (49 percent) would be willing to pay a fee for the ability to expedite the availability of funds from deposited checks.

"If they haven't already, financial institutions will need to modernize their payment platforms to support businesses' need for real-time payments," said Chad Avers, vice president of product management, Bank Solutions, Fiserv.

As the push to move money in real time increases, so will the pressure to ensure the pace of security matches the pace of payments. When payments are flowing through a central hub, organizations can monitor those payments for fraud at the same speed.

In turn, businesses want information associated with their transactions to also move in real time, including alerts, notifications and invoice details. Powered by artificial intelligence and chatbots, further sophistication around auto-decisioning will also likely come into play.

### Automation, digitization and the promise of AI

The amount of information businesses need relative to their transactions is higher than in the retail banking space. That's slowed digitization in commercial banking, but moving away from manual, paper-based processes is a significant focus for financial institutions.

Robust cash management solutions enable enhanced digital experiences for financial institutions and the businesses they serve. According to a recent Aite survey, 82 percent of commercial bankers say improving the user experience for commercial clients is a top priority for their institutions, including a more efficient onboarding process, intuitive solutions that don't require training and greater insights into cash-flow trends.

AI is one way financial institutions and their business clients are removing manual interpretations and processes, using data that organizations already have at their disposal to help make better decisions and better manage their finances. AI helps businesses and financial institutions save time and personnel efforts, Kostron said, by focusing attention on areas where it will make a positive difference.

Businesses rely on fast responses and even faster money movement, including quick access to credit.

Reducing the pain points in the lending process comes down to converting manual processes and paperwork to digital, which is not always possible due to regulatory restraints. But in a rising rate environment, finding those increased efficiencies will be increasingly important.

White predicted prolonged contraction in the financial services industry will continue to influence the digitization of banking processes and services, especially in the commercial lending space.

"With fewer institutions, the average size of loan portfolios has increased while staffing levels remain fixed for most organizations," White said. "How do you manage that discrepancy? It happens through automation."

Heading into 2019, business sales, profits and staffing levels remain strong, but headwinds may be on the way. Smart strategies will focus on helping businesses insulate against uncertainty in the economic cycle for continued prosperity.

Commercial banks must continue to position their organizations as open for business. Not only does that mean offering the services and capabilities businesses need, but it also means helping organizations navigate changes such as greater connectivity, increased payment speed and automation, as well as new expectations for the commercial banking user experience. Financial institutions that mean business will meet those challenges and opportunities in the coming year. ■

*Brenda Waggoner is a senior writer at Fiserv, which is a BHCA Associate Member.*

By Janine Wright

# Five steps for a successful system conversion

While selecting a new system for your financial institution can be one of the most significant decisions your management team will make, successfully implementing it can be one of the most challenging projects your staff will undertake. Change can be difficult under any circumstance, especially when it involves a critical system. However, with a carefully considered plan, dedicated resources, and an experienced project manager, a system conversion can be a relatively smooth process.

Once you've signed the final contracts for your new system, the conversion process can begin. Plan for the conversion process to take at least six to 12 months from start to finish when you follow these key steps:

### 1. Begin with a plan

The success of a system conversion is dependent upon a detailed plan that guides your team in a clear direction from the start. The plan should provide specific details regarding the activities, resources, responsibilities, and target dates for the conversion process, including internal and external factors. You should also plan to measure and monitor all tasks and identify, manage and mitigate any risks. Your plan should include the following steps:

*Create a conversion committee.* Form a committee that represents all areas of your institution. This is often the same committee that helped select the new system. Ensure all committee members have the knowledge, skills and time available to carry out the conversion tasks. Your institution's management should also be involved and committed from the beginning.

*Assign a project manager.* Designate a representative to serve as the conversion project manager on behalf of your institution. This individual's role will mirror the vendor's assigned project manager and will help keep things moving forward. It is important that management also takes ownership in the process.

*Hold a kickoff meeting.* Conduct a kickoff meeting with the conversion committee to set expectations and ensure understanding of next steps. Discuss overall goals, expectations and timelines. Review critical areas such as network and equipment, staff resources and capabilities, system features and functionality, communication and training to ensure adequate resources are available.

*Gather your data.* Review the final contract and supporting documents for the new system, along with the vendor's conversion and implementation plan, to verify understanding of key contract provisions and other critical success factors.

### 2. Evaluate and communicate

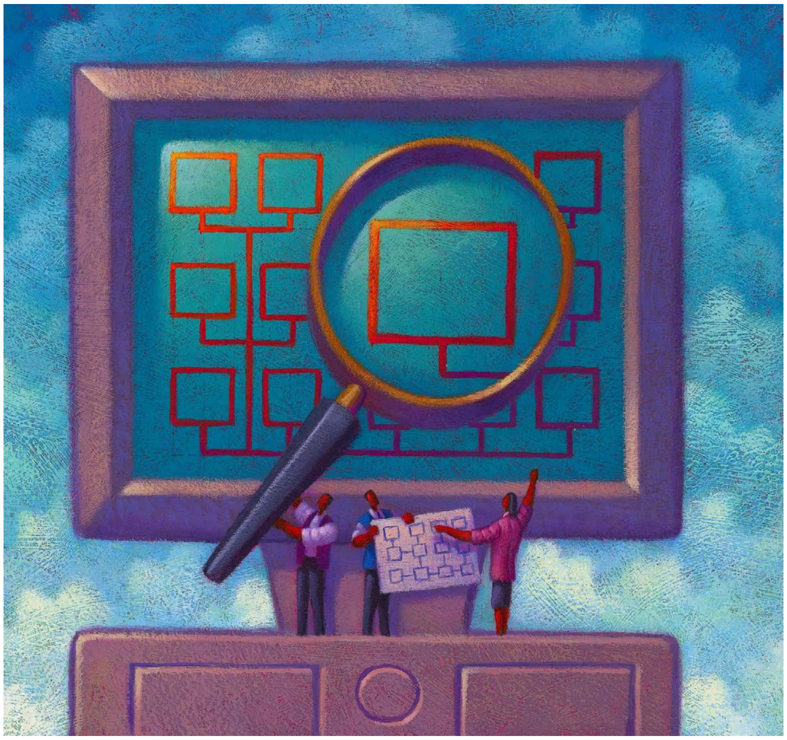
An evaluation should be completed to ensure data from the current system is ready for the conversion to the new system. The evaluation should include a review of data conversion procedures and data mapping, along with a process for validating converted data. The insights gained through an evaluation will help identify potential threats to the conversion process. Communicating internally with those directly involved in the conversion, and externally with those directly impacted by the conversion, will also help to eliminate any surprises.

*Establish weekly meetings.* Set up project teams (e.g., front line, back office, lending, marketing) and establish weekly team meetings. These meetings will help prioritize the project and keep the committee informed of the status. Any issues that need management resolution should be addressed and communicated. You'll want to meet more frequently as the go-live date approaches.

*Communicate repeatedly.* Develop conversion communications (e.g., internal, external and vendor) that provide essential information. Internally, communications should orient staff to the project plan. Externally, communications should provide detailed information about the impactful changes that will be a part of the conversion. Notify current vendors that have systems being replaced that you are officially terminating their service(s). Keep in mind, regardless of how well you communicate, there will always be questions.

### 3. Develop buy-in

A successful conversion relies on preparing your staff to stay engaged during the process. You can help by celebrating milestones that show the measurable progress being made. Additionally, recognize staff members who are working diligently, thereby increasing the visibility of the project. Take advantage of training opportunities throughout the process to make the transition go smoothly.



*Establish staffing requirements.* Have a plan for addressing staff vacation and time-off requests, along with the hiring of new individuals who may not be immediately needed. Recognize that these scenarios may be required during the conversion process, and being understaffed will likely make the conversion more challenging.

*Incorporate training.* A well-prepared staff can make for a smooth conversion. You'll need to confirm understanding of training and implementation requirements for resources, timing and expectations with your vendor. Staff training is critical leading up to the go-live date — all team members should understand the full capabilities of the new system, have the knowledge needed to use it effectively, and be provided with a specific training plan that includes the time needed to complete each task. Inquire on the availability of a test system that staff can use for training to further enhance their understanding.

*Establish subject-matter experts.* Identify key subject-matter experts to serve as trainers. These experts can help prepare training materials and conduct intensive training sessions for other staff.

### 4. Test thoroughly

A critical step in the conversion process is testing and data validation. Take the time to clean up data in your current system so that the new system can be as accurate as possible. Compare tests and reports from both systems to ensure the new system can generate the reports needed for analysis. Then review criteria outlined to ensure proper safeguards are implemented to protect sensitive information and that risks are mitigated. Each team should determine who is responsible for testing, which test results are acceptable, and the steps needed to remediate a problem.

*Create a change document.* Having the ability to clearly view individual changes can make it easier to foresee the entire process coming together. Create a change management document for vendors and major internal processes. An effective methodology will aid in mitigating issues.

*Monitor the vendor.* Participate in vendor calls to ensure critical tasks are being completed, and oversee preparation tasks to ensure timelines are adhered to according to your conversion plan.

*Perform a pre-conversion assessment.* Complete a detailed pre-conversion assessment to ensure that required tasks have been completed and appropriate system controls have been identified. This assessment will help to smooth the transition and identify critical issues that must be addressed prior to conversion.

### 5. Convert and assess

Often the most critical and challenging step within a system conversion is the actual implementation of the new system. Conversion to a new system should be a combined effort involving institution staff, vendor personnel and outside resources, as needed, to support the conversion plan. Meetings should be held daily starting on the go-live date and continue until all documented issues have been resolved. Once the system conversion has been completed, ongoing vendor management should be incorporated.

*Convert to the new system.* Immediately before and after the conversion, monitor progress with regard to the plan. Create an executive summary to track any outstanding issues, and participate in meetings to report status and ensure conversion activities are completed to your satisfaction.

*Dedicate resources.* Anticipate a higher call volume once the new system goes live. Plan to have an increased number of staff on hand to respond to inquiries. If available, consider short-term call center assistance through the

**Five Steps,** *Continued on page 15*

The Bank Holding Company Association presents the

# 76th Semi-annual BHCA Spring Seminar

# INNOVATION *and* PERFORMANCE

## Mon. and Tues., MAY 6–7

### Hyatt Regency Bloomington—Minneapolis

The **Fosbury Flop** was an innovative approach to the high jump that changed the standard for outstanding performance. Dick Fosbury won a gold medal at the 1968 Olympics. With the right education, you can win the competition in your area!

Technology has become one of the largest, most important investments a bank holding company makes. Bank owners and managers have serious decisions to consider about core processing systems, data management, e-payment options, mobile banking, potential fintech partnerships, cyber security and more. The digital road to success starts with knowledge, and the BHCA's Spring Seminar will deliver the education at its May 6-7 event, **"Innovation *and* Performance."**

Some of the industry's most illuminating consultants will offer insight: **Wipfli's** Dave Schroepfer will show us the bank of the future; Steve Williams of **Cornerstone Advisors** will offer performance solutions in the context of innovation and technology; J.P. Nicols of **Alloy Labs** will describe the framework decision-makers need to cultivate innovation at their bank, and establish a productive relationship with your core processor by using negotiating tactics shared by Aaron Silva, leader of the **Golden Contract Coalition**. There's more, including insight from a panel of fintech execs led by **ICBA's** tech guru Kevin Tweddle. Plus, breakout sessions. And, as always, there's lots of education from peers as BHCA events offer unparalleled networking.

**REGISTER ONLINE TODAY:** theBHCA.org

# Bank Holding Company Association
# INNOVATION *and* PERFORMANCE
# Spring Seminar Registration ~ May 6-7, 2019

## REGISTRATION:

Name ______________________________

Company Name ______________________________

Address ______________________________

City ______________ State __________ ZIP________

Phone ________________ Email ________________

Guest Name(s) ______________________________

______________________________

______________________________

*Please indicate dietary restrictions here:* ______________________

*Are you a BHCA member or associate member?* **Yes**____ **No**_____

### FULL SEMINAR:

| | | Number | Amount |
|---|---|---|---|
| BHCA Members: | $375 | _____ | _____ |
| Non-Members: | $550 | _____ | _____ |

### SINGLE-DAY:

| | | | Number | Amount |
|---|---|---|---|---|
| Monday Session (May 6): | Members | $125 | _____ | _____ |
| | Non-Members | $175 | _____ | _____ |
| Tuesday Session (May 7): | Members | $250 | _____ | _____ |
| | Non-Members | $375 | _____ | _____ |

### Á LA CARTE OPTIONS:

| | | Number | Amount |
|---|---|---|---|
| Tuesday Luncheon Only | $65 | _____ | _____ |
| Tuesday Evening: *Mamma Mia! at the Chanhassen Dinner Theatres* Includes transportation, dinner, and one ticket | $125 | _____ | _____ |
| Annual dues, new members only | | | _____ |

**TOTAL AMOUNT ENCLOSED:** **$** ______________

## SCHEDULE AT A GLANCE

**Monday, May 6**

2:00 p.m. ***Welcome***

2:30 p.m. ***Innovation in Bank Technology***
*By Kevin Tweddle, ICBA*

4:00 p.m. ***Fintech Update: From Blockchain to Cryptocurrency***
*By David Schroepfer, Wipfli*

5:00 p.m. ***Reception***

6:30 p.m. ***Dinner***

7:15 p.m. ***The Big AHA: How to Embrace Today's Trends to Create Tomorrow's Opportunities***
*By Jack Uldrich, Futurist*

**Tuesday, May 7**

7:30 a.m. ***Buffet Breakfast***

8:30 a.m. ***The Future Ready Bank***
*By Steve Williams, Cornerstone Advisors*

9:30 a.m. ***Thriving in an Era of Digital Disruption***
*By JP Nicols, Alloy Labs*

10:30 a.m. ***Networking Break***

11:00 a.m. ***Round 1 of Breakout Sessions***

11:45 a.m. ***Round 2 of Breakout Sessions***

12:30 p.m. ***Lunch***

1:30 p.m. ***What if Trump Negotiated your Next Core IT Deal?***
*By Aaron Silva, Golden Contract Coalition*

## ONLINE REGISTRATION

**Available at: www. theBHCA.org**

For additional information,

call 1-800-813-4754.

***Mail Registration to:*** **Bank Holding Company Association**
7400 Metro Blvd., Suite 217, Minneapolis, MN 55439

The cost of the meals, entertainment and breaks included in the registration fee for this meeting are estimated at $90 for the Monday session and at $100 for the Tuesday session. This information is provided for your tax records in keeping with IRS deductibility provisions. By registering, you authorize the BHCA to use your photo and/or video image for promotional purposes. Cancellation Policy: Due to commitments and expenses, all cancellations after March 20, 2019 will be subject to a $200 processing fee. We regret that no refunds will be given after April 17, 2019; however, substitutes are welcome anytime. The BHCA assumes no liability for any nonrefundable travel, hotel or related expenses incurred by registrants. Cancellations or substitutions must be made in writing to (Kelly@theBHCA.org) or faxed to 952-835-2295.

The BHCA 2019 Spring Seminar: **INNOVATION *and* PERFORMANCE**, is being held at the Hyatt Regency Bloomington-Minneapolis, near the Mall of America and MSP airport. For reservations, contact the Hyatt at 952-922-1234. The room rate is $175 per night if you book by Mon., April 22.

By Brad Steppig

# When should FIs move to the cloud?

Many financial institution executives are struggling with the decision about whether to have an on-premise or cloud-based information technology infrastructure. Further complicating the matter, in many situations, a strong business case can be made for both options. To create an effective and efficient technology infrastructure, financial institutions must understand potential options and factors that help determine when, or if, they should consider a move to the cloud.

In either scenario, financial institutions must develop a cohesive IT infrastructure strategy that encompasses all hardware and software investments, such as servers, network communications equipment and storage appliances. Choosing between on-premise and cloud deployments can be difficult, but the differences between the two platforms and specific business indicators can provide guidance in the decision-making process.

### The on-premise model

With an on-premise IT framework, key technology applications and critical data are physically located inside the financial institution's facilities. Technology systems are owned and managed by internal technology personnel, and the financial institution is the owner of data security measures, disaster recovery planning and all compliance requirements.

Financial institutions typically choose on-premise technology deployments when there are network communications limitations, or if leadership within financial institutions wants hardware, software and data to reside within their own facility. Until recently, financial institutions have also chosen on-premise technologies because vendors did not offer cloud-based solutions.

An on-premise technology infrastructure can provide several benefits, including maintaining full control over decisions regarding architecture, network management and the support of the core system and key business apps. In addition, the technology capital investments can be depreciated. An on-premise infrastructure may also be a better fit than a cloud solution for financial institutions in areas that have network communications limitations that lead to frequent outages and business disruptions.

On-premise solutions require the financial institution's IT department to have the knowledge and skill sets required to responsibly manage the technology infrastructure and protect critical data. This could be an issue, since a financial institution's IT staff is not likely to have the same level of technical expertise and available resources as a cloud provider, or have the budget to pay for the same level of security and disaster recovery capabilities. In addition, with experienced technology personnel in high demand, consistent staffing can be a challenge, with productivity suffering if key personnel leave.

### The cloud-based model

Cloud solutions have much of the same underlying technologies as on-premise solutions, but the technologies and data are located remotely at datacenters, also known as the cloud. Cloud platforms are subscription-based and typically include all technology upgrades, maintenance, information security and disaster recovery solutions as part of the subscription cost. The financial institution is still responsible for the network connectivity to the cloud environment and any other on-premise technologies and data.

The shift to a cloud-based infrastructure is driven by financial institutions having to spend significant amounts of money to keep up with emerging technologies, continually upgrade apps and refresh aging solutions. Also, as technology platforms have become more complex, internal IT knowledge requirements have increased. Cloud-based solutions are turnkey solutions with maintenance and information security included.

The cloud has enabled financial institutions to essentially leverage an à la carte technology model, with the ability to quickly add services without the need for additional internal equipment or personnel. Cloud-based solutions provide communication redundancy to access applications and data, and also allow for robust disaster recovery options. In addition, the dependency upon internal IT personnel lessens since the complexity of on-premise technologies is decreased.

However, a transition to the cloud does not come without risk. When a financial institution moves all of its data to a cloud provider, the level of control it has over security implications, staffing, policies and procedures decreases. While a vendor will likely have more significant security and disaster recovery measures, it will also likely be a larger target for hackers. It is also important to note that cloud-based solutions may be more expensive than on-premise models.

### When is the right time?

Several indicators can help a financial institution understand when it's time to move to the cloud. The most straightforward scenario is if examiners or regulators force a financial institution into that decision. However, the choice becomes more difficult when internally determining when it is best for the business.

In this situation, a move to the cloud must be supported by a strong business case, not simply made as the result of an IT decision. Answers to the following questions can provide insights into when a move may

**Move to Cloud?,**
*Continued on next page*

# Council boosts faster payments effort

**By Kevin Christensen**

Membership is now open for the U.S. Faster Payments Council whose mission is to enable any American to safely and securely pay anyone, anywhere, at any time and with near-immediate funds availability. I encourage you to consider joining this industry-led organization that is driving the faster payments infrastructure toward ubiquity, fostering a high-quality and secure user experience, and supporting widespread use of faster payments.

During the past two years, I was an active participant in the Governance Framework Formation Team, a diverse group of industry stakeholders. Our work resulted in developing the proposed framework for this newly-formed Faster Payments Council, which is supported by the Federal Reserve.

At SHAZAM, we believe in the council's mission and its potential to drive ubiquitous faster payments in the United States. Through problem-solving, dialogue and education, the council will leverage the strengths of its member institutions to address the issues that are inhibiting broad adoption of faster payments. These items include:

- Supporting adoption of practices that enhance safety and security for service providers and users of faster payments
- Identifying, developing and supporting principles, guidelines and market practices that will address opportunities and emerging issues in an open and collaborative way.
- Developing an education and awareness program to foster better understanding of faster payments.

Implementing a process that includes coordinated, industrywide and inclusive representation will be more effective in facilitating adoption, enhancing security and increasing user awareness than if the parties were to act separately. Following the work of the Governance Framework Formation Team, the Faster Payments Council will facilitate the pursuit of ubiquitous receipt — where multiple payment service providers are capable of receiving faster payments and making those funds available to their end-user customers in real time.

For more information about the U.S. Faster Payments Council and how to become a member, go to their website at fasterpaymentscouncil.org. ■

*Kevin Christensen is senior vice president of market intelligence and data analytics at Shazam, a BHCA Associate Member. He also is acting executive director and board chairman for the U.S. Faster Payments Council. He is scheduled to present at the BHCA Bank Owners' Boot Camp on April 11 in Kansas City.*

**2015**
Start of the Faster Payments Task Force. Final report recommended a governance framework

**2017**
Formation of the Governance Framework Formation Team.

**2018**
Governance Framework Formation Team shares drafted operating vision and solicits input. Faster Payments Council formed.

**Move to Cloud?,** *Continued from previous page*

be the most beneficial for your financial institution:

*Do you want to be in the business of managing IT?* Maintaining hardware and software is a challenge, and staffing challenges are more daunting as technology becomes more complex.

*Is your core service provider focusing on moving future upgrades and new products to the cloud?* If your provider starts charging you more for on-premise hardware and software upgrades, if it starts offering more options for cloud solutions, if it no longer develops solutions for on-premise implementations, if you sense increased sales pressure to push you to the cloud, or if you learn that a number of the provider's clients are moving to the cloud, then it may be time for you to start thinking about moving as well.

*Would a move to the cloud increase efficiencies?* Cloud solutions are typically more streamlined technology offerings, with fewer disruptions, and with all locations and business units residing on the same platform.

*Would a move to the cloud decrease internal IT staff?* The cloud-based solution may allow for fewer, and less technical, internal staff, because only an internet connection is required to access cloud-based data and solutions.

*Will your financial institution be more competitive in the market with service offerings only available in the cloud?* As customers demand more expansive technology services, and the cloud becomes more prevalent, vendors are designing and releasing emerging technology platforms designed specifically for the cloud.

*Will your financial institution have less risk with a move to the cloud?* With multiple customers, cloud providers can typically develop more extensive risk management solutions, including disaster recovery and business continuity planning, perimeter security, ongoing audits and testing, and monitoring and alerts.

*Does the cloud provide flexibility with vendor selections?* In many cases, cloud-based solutions will allow you to select the best vendor solution, or change to a different vendor more easily than if you own and manage on-premise solutions.

*Will cloud benefits outweigh the costs?* Your financial institution will incur costs when moving to the cloud, but ultimately, an effective cloud strategy can reduce risk, with a more consistent, predictable technology cost.

## Conclusion

In a recent RSM poll following a webcast with mostly financial institution stakeholders attending, over 79 percent of attendees indicated they are utilizing the cloud in some form today. However, many attendees are cautious about the cloud, with data security (76 percent), privacy (61 percent), total cost (39 percent) and loss of control (33 percent) being the biggest concerns.

As mentioned earlier, the decision about moving to the cloud is not easy, and your financial institution should evaluate the indicators of when (or if) a cloud transition makes sense. It is important to not only focus on the impact on IT, but also be sure to measure business impact when making your decision. No decision is final, but you will want to be directionally correct for at least a three- to five-year period, because shifting back to an on-premise framework can be a time-consuming and costly task.

It is also important to note that you may decide that it is best to create a hybrid solution, where some of your technologies are on-premise and some are cloud-based. In fact, it may not be possible to move everything to the cloud, even if that is your ultimate plan.■

*Brad Steppig is a director at RSM US, which is an Associate Member of the BHCA. He can be reached at 314-925-3812. For questions regarding this article, please contact Julie Starnes at 319-896-5421.*

---

**President's Observations,**
*Continued from page 4*

about our industry that is pertinent to bank owners.

I appreciate the leadership that past presidents Brenda Johnson in 2018 and Chad Bergan in 2017 provided to the Association. We are fortunate to have a great industry advocate, Tom Bengtson, the BHCA's managing director, running the operations of the association. He brings the resources of NFR Communications and through his small staff, including Kelly Kracht to create a wonderful forum for our industry to get together and learn, network and improve. I am grateful for their efforts.

Please let me, the other members of the board of directors or Tom know if there is any way you feel we can improve the BHCA. ■

# BHCA elects Minn. and Wis. bankers to its 2019 board

The Bank Holding Company Association is pleased to welcome two new members to the Board of Directors: Denise Bunbury and Jeffrey L. Weldon. Both were elected at the 2018 BHCA Fall annual meeting and their three-year terms began on January 1.

**Denise Bunbury** is senior vice president/correspondent banking business development officer for Bell Bank (State Bankshares, Inc.), Fargo N.D. She is based in Madison, traveling Wisconsin, Michigan's Upper Peninsula and Illinois to meet with community bankers. Bunbury has been in the Wisconsin banking industry for almost 30 years, working for Madison area community banks. Prior to joining Bell Bank in 2016, she was a commercial lending correspondent officer with Bankers' Bank. She resides in Verona, Wis. When not working she spends time with her daughter, family and friends and is an avid quilter.

"I've attended the BHCA seminars in the past for the networking and educational opportunities; valuable insight can be gained by listening to industry experts and peers," Bunbury said. "I am excited to serve on the BHCA board to assist in the association's growth and outreach."

**Jeffrey L. Weldon** is senior vice president and chief financial officer at Crown Bank, Edina Minn. Weldon is a licensed CPA and has a Bachelor of Science degree in finance from Minnesota State University, Mankato. He competed the Graduate School of Banking in Colorado, Boulder, in 2004. Weldon has extensive banking experience, most recently with United Prairie Bank/Farmers State Corporation in Mankato, where he served as chief financial officer and chief operating officer. Earlier in his career, he worked at Clifton Larson Allen in Minneapolis as a bank consultant and audit manager. Weldon is a Harley Davidson owner/enthusiast. He is an avid runner and has completed five marathons. He and his wife reside in Lakeville with their two children.

"As a new BHCA board member, I am excited to expand my network and bring my own thoughts and ideas to this board to help continue the BHCA's history of collaborative success," Weldon said.

---

**Five Steps,** *Continued from page 9*

vendor or a third party.

*Perform a post-conversion assessment.* A post-conversion assessment should be performed once the conversion process has been completed. This should include a review of the new system to verify that requirements are being fulfilled and that the system is functioning satisfactorily. Identify specific strengths and shortcomings, and develop an action plan to address any concerns.

*Perform ongoing vendor management.* Dedicate sufficient staff with the necessary expertise, authority and accountability to oversee and monitor the vendor based on the level of risk and complexity of the relationship. Conduct periodic performance reviews and service level agreement tracking to determine whether the existing contract is meeting your needs. ■

*Janine Wright is a director at CliftonLarsonAllen, in its Cedar Rapids, Iowa, office. She can be contacted at 319-558-0266. This article was originally published on CLAconnect.com. CliftonLarsonAllen is an Associate Member of the BHCA. The information contained herein is general in nature and is not intended, and should not be construed, as legal, accounting, investment, or tax advice or opinion provided by CliftonLarsonAllen LLP to the reader. For more information, visit CLAconnect.com.*

# Application considerations for small holding companies

*By Mike Scott*

Fed Notes is provided through a partnership the Bank Holding Company Association shares with the Federal Reserve Bank of Minneapolis.

The Federal Reserve System considers several factors, including requirements of the Small Bank Holding Company and Savings and Loan Holding Company Policy Statement, in determining whether to approve applications filed by an existing or proposed small holding company. As a result of the Economic Growth, Regulatory Relief and Consumer Protection Act of 2018, the policy statement now applies to holding companies with consolidated assets of less than $3 billion (an increase from the previous threshold of $1 billion), with certain exceptions discussed in the policy statement. This new asset threshold allows many of the roughly 350 holding companies nationwide with total assets between $1 billion and $3 billion to take advantage of the policy statement's relative leniency in permitting small HCs to maintain higher debt levels.

We highlight below aspects of the policy statement that most frequently impact applications filed with the Federal Reserve Bank of Minneapolis. These fit broadly into three categories: debt, capital, and expedited/waived processing.

## Debt

*Reduction in parent company leverage.* Most acquisition proposals by Ninth District applicants involve the applicant incurring or assuming some debt to fund the purchase. In order to ensure that small HCs continue to operate in a safe and sound manner despite the policy statement's leniency with respect to debt, the policy statement includes expectations for how small HCs will service their debt. When a small HC files an application in which it proposes to incur debt, it must demonstrate that, without reliance on sustained high levels of dividends or other payments from its banks, it is capable of (i) reducing its debt to equity ratio to 30 percent or less within 12 years of the debt being incurred; and (ii) retiring all debt within 25 years of the debt being incurred. Note that the policy statement contains special rules regarding the treatment of preferred stock (as equity) and the treatment of subordinated debt (as debt) for purposes of debt to equity ratio calculations.

If an applicant's debt will exceed 30 percent of its equity capital, the applicant should provide cash flow projections for each of the next 12 years, along with supporting schedules for each material cash receipt and disbursement. In addition to demonstrating the ability of the applicant to reduce the debt within the timeframes discussed above, these projections must also take into account the schedule of principal reduction required by the parent company's creditor(s). The applicant should include projections of the subsidiary bank(s) asset growth, earnings performance, and dividend paid, as well as capital ratios supported by reasonable assumptions.

*Minimum down payment.* The policy statement requires a small HC to fund at least 25 percent of each acquisition with sources other than debt. A small HC may not satisfy this requirement by merely demonstrating that it could fund 25 percent of the purchase price without debt. For purposes of this "minimum down payment" requirement, debt incurred by owners of a small HC to finance an acquisition will be attributed to the small HC applicant unless the owners can demonstrate that they can service the debt without relying on the financial resources of the banking organization. This is true even though the debt does not represent an obligation of the bank holding company.

*Dividend Restrictions.* The policy statement states that a small HC whose debt to equity ratio is greater than 100 percent is not expected to pay corporate dividends, including subchapter S tax distribution payments, until such time as it reduces its debt to equity ratio to 100 percent or less. This requirement is in place primarily to preserve the small HC's ability to service its debt. The Board of Governors of the Federal Reserve System's Supervision and Regulation Letter 09-4 provides additional guidance to holding companies regarding the Federal Reserve's supervisory expectations regarding the payment of dividends.

### Capital adequacy

Small HCs are not required to meet capital adequacy standards on a consolidated holding company basis. Rather, small HCs are expected to meet the policy statement's debt-related requirements, and each of a small HC's insured depository subsidiaries is expected to be well capitalized. A small HC should demonstrate as part of an acquisition application that its depository institutions (including target institutions) will be well capitalized on a pro forma basis upon consummation of the acquisition. The Federal Reserve is less likely to approve proposals that fail to meet this criteria.

### Expedited/waived processing requirements

While other sections of the policy statement apply to small savings and loan holding companies as if they were bank holding companies, this section applies only to small bank holding companies. Specifically, the policy statement addresses requirements for small bank holding companies to qualify for expedited processing of applications or notices under sections 225.14 and 225.23 of Regulation Y, and for small holding companies to quality for a waiver of the stock redemption filing requirements for well-capitalized bank holding companies contained in section 225.4(b)(6) of Regulation Y. In each case, the policy statement provides for a reduced filing burden for holding companies that have a debt to equity ratio of 100 percent or less, meet the requirements of the policy statement discussed above, and meet other specified criteria contained in section 225.14 or 225.23 of Regulation Y.

Please contact your local Reserve Bank if you are unsure whether your organization is subject to the policy statement or have other questions. The policy statement is contained in Appendix C to Part 225 of Regulation Y at www.federalreserve.gov/supervisionreg/reglisting.htm. ■

*Mike Scott is a senior analyst in the mergers and acquisitions section of the Federal Reserve Bank of Minneapolis.*

## New to BHCA

**The Bank Holding Company Association welcomes the following holding company, which recently joined the association:**

**Audubon Investment Co.**
Brett Irlmeier
Audubon, Iowa
Audubon State Bank

**And also welcomes the following new Associate Member:**

**Messerli Kramer**
Michelle Jester, attorney
Chelsea Mularoni, attorney
Minneapolis

Messerli Kramer's Banking and Financing group attorneys have extensive knowledge and experience in all finance matters, including commercial, construction, real estate, tax credit, business assets, participations, receivership, enforcement, workout, and foreclosure. Services include drafting agreements related to commercial, construction, term, equipment and real estate financing; enforcing loans secured by real estate or business assets; and advising clients on bank operations and regulatory matters.

**Down to Business,** *Continued from page 5*

Membership numbers are strong, which is a positive indication. But I know there is always room for improvement. We can always do more, we can always do better. The board is undertaking a strategic planning process to help better identify our strengths and weaknesses, and our goals. You can't really get anywhere if you don't have a good road map! So I am excited about the strategic planning process and look forward to its results.

We have an excellent board with truly wise people on it. Over the years, I have been inspired by the leadership, insight and wisdom that has come from our board members. Elsewhere in this magazine, please read about the two bankers who are joining our board this year. Also, be sure to read the column by Rick Wall, our new president. Getting to know our Members, and especially our board members, is truly one of the most rewarding aspects of being your managing director. ■

# Holding Company Transaction Report

Here are selected recent bank holding company filings with the Federal Reserve Banks of Chicago, Minneapolis, Kansas City and St. Louis.

▷ Glenwood State Bank, Glenwood, Iowa, authorized to merge with Frontier Savings Bank, Council Bluffs, Iowa, and to establish a branch.

▷ Opportunity Bank of Montana, Helena, authorized to merge with State Bank of Townsend, Mont., and to establish branches.

▷ First Midwest Bancorp, Inc., Chicago, filed to engage in nonbanking activities through the acquisition of Northern Oak Wealth Management, Inc., Milwaukee.

▷ Notice filed by the 2018 Grantor Trust FBO Rachel Grimstad and others, all of Decorah, Iowa, to join the Grimstad Family Control Group and acquire control of 10 percent or more of Security Agency, Inc., and thereby control Decorah Bank and Trust Company, both of Decorah, Iowa.

▷ Orvet, Inc., Minneapolis, and Silver Springs Financial Corp, Minneapolis, authorized to acquire Lake Country Community Bank, Morristown, Minn.

▷ AJJ Bancorp, Inc., Elkader, Iowa, authorized to indirectly acquire Swisher Bankshares, Inc., Swisher, Iowa, and Swisher Trust & Savings Bank; and for Central State Bank, Elkader, to merge with Swisher Trust & Savings Bank and thereby establish a branch.

▷ Foote Financial Services, LLC, Hoxie, Kan., authorized to become a bank holding company by acquiring Peoples State Bank, Manhattan, Kan., and election to become a financial holding company.

▷ Geneva State Company, Geneva, Neb., authorized to acquire First National Fairbury Corp, Fairbury, and thereby acquire First National Bank of Fairbury.

▷ Geneva State Company, Geneva, Neb., authorized to acquire Jefferson County Bancshares, Inc., Daykin, Neb., and thereby acquire Jefferson County Bank.

▷ Park Financial Group, Inc., Minneapolis, authorized to acquire shares of Mesaba Bancshares, Inc., Grand Rapids, and thereby acquire The Lake Bank, Two Harbors, Minn., and American Bank of the North, Nashwauk, Minn.

▷ Notice filed by Janet Ranniger, Manning, Iowa, and others to retain and acquire control of 25 percent of more of Manning Financial Services, Inc. and thereby control The First National Bank of Manning, Iowa.

▷ First Interstate Bank, Billings, Mont., filed to merge with Idaho Independent Bank, Coeur d'Alene, Idaho, and to establish branches. The bank also filed to merge with Community 1st Bank, Post Falls, Idaho, and establish branches.

▷ Jane Chance, Fowler, Kan., filed to acquire shares of FSB Bankshares, Inc., and thereby acquire Fowler State Bank.

▷ Fidelity Company, Dubuque, Iowa, authorized to acquire State Bank, New Hampton, Iowa.

▷ Heartland Bancorp, Inc., Bloomington, Ill., authorized to acquire via merger Lincoln S.B. Corp., Lincoln, and to acquire State Bank of Lincoln.

▷ Redwood Financial, Inc., Redwood Falls, Minn., authorized to become a bank holding company by acquiring HomeTown Bank, Redwood Falls, on its conversion from a savings association to a bank, and to become a financial holding company.

▷ United Bankers' Bancorporation, Inc., Bloomington, Minn., authorized to acquire shares of ExCheQ, LLC, Roseville, through United Bankers' Bank, Bloomington, UBBI's wholly owned subsidiary bank. Also, N.A. Corporation, Roseville, Minn., authorized to acquire shares of ExCheQ,LLC, Roseville, through NABC ExCheQ, LLC, a wholly owned subsidiary of N.A. Corporation's subsidiary bank, North American Banking Company.

▷ Edward J. Madden, Evanston, Ill., filed to join the Madden Family Group and to acquire 10 percent or more of Schaumburg Bancshares, Inc., and to control Heritage Bank of Schaumburg, both of Schaumburg, Ill.

▷ Notice filed by Daniel K. Miller of Barrington Hills, Ill., to acquire 10 percent or more of First Ottawa Bancshares, Inc. and to control The First National Bank of Ottawa, Ill.

▷ David J. Cecich of Crown Point, Ind., and Steven H. Cecich of Grant Park, Ill., filed to acquire 10 percent or more of First Community Bancorp, Inc. and to control First Community Bank and Trust, both of Beecher, Ill.

▷ Blackhawk Bancorp, Inc., Beloit, Wis., authorized to acquire First McHenry Corporation, McHenry, Ill., and to acquire The First National Bank of McHenry.

▷ First Midwest Bancorp, Inc., Chicago, filed to acquire Bridgeview Bancorp, Inc., and to acquire Bridgeview Bank Group, both of Bridgeview, Ill. Concurrently, First Midwest Bancorp, Inc.'s subsidiary bank, First Midwest Bank, Chicago, filed to merge with Bridgeview Bank Group.

▷ First Interstate Bank, Billings, Mont., authorized to merge with Community 1st Bank, Post Falls, Idaho, and to establish branches.

▷ Amsterdam Bancshares, Inc., Amsterdam, Mo., authorized to acquire S.T.D. Investments, Inc., Mindenmines, and to acquire Bank of Minden.

▷ Notice filed by Cara J. Mulder, Wayzata, Minn., to acquire 25 percent of PSB Financial Shares, Inc., Prinsburg, Minn., and to acquire control of PrinsBank, Prinsburg.

▷ Change in control notice filed by Katherine Burgum Itterman, Fargo, N.D., and Fred J. Williams III, Fargo, each to acquire 25 percent or more of First Financial Corporation, and to acquire control of Bank North, both of Arthur, N.D.

▷ The Farrar Beresford Bancorporation Inc., Irrevocable Trust, Britton, S.D. and Beresford Bancorporation, Inc., authorized to become bank holding companies for a moment in time by acquiring Western Bancshares of Alamogordo, Inc., Carlsbad, N.M., and Western Bank, while retaining ownership of First Savings Bank, Beresford, a federal savings bank; and to reconvert to savings and loan holding companies following the merger of Western Bank and First Savings Bank and for applicants to retain their current operations.

▷ Richard Molepske and others filed to acquire 10 percent or more of Bank First National Corporation and to acquire Bank First National, both of Manitowoc, Wis.

▷ Greenwoods Financial Group, Inc., Lake Mills, Wis., filed to acquire Fox River Financial Corporation and to acquire Fox River State Bank, both of Burlington, Wis.

▷ MiCommunity Bancorp, Inc., filed to become a bank holding company through the acquisition of Mi Bank, in organization, both of Bloomfield Township, Mich.

▷ Notice filed by Stephen J. Eager, Evansville, Wis., and others to acquire 10 percent or more of S.B.C.P. Bancorp, Inc. and to control State Bank of Cross Plains, Wis.

The Bank Holding Company Association in partnership with STINSON LEONARD STREET invites you to:

# BANK OWNERS' BOOT CAMP

**April 11, 2019**
**Kansas City, Mo.**

Following up on the successful inaugural one-day seminar in Kansas City last year, the BHCA is once again partnering with **Stinson Leonard Street** to present this Boot Camp Seminar for bank owners, holding company officers and directors.

**NO OTHER INDUSTRY SEMINAR DELIVERS MORE OWNERSHIP AND MANAGEMENT INFORMATION IN ONE DAY. PLAN TO BRING COLLEAGUES AND PEERS.**

We look forward to seeing you on April 11!

Bob Monroe
**Stinson Leonard Street**

Adam Maier
**Stinson Leonard Street**

Natalie Regan
**Country Club Bank**

Kevin Christensen
**SHAZAM**

Kevin Johnson
**OCC**

**Where:**
Stinson Leonard Street
1201 Walnut Street
Suite 2900
Kansas City, Mo.

**When:**
9 a.m. to 5 p.m. — Education
5 to 6:30 p.m. — Reception

**Cost:**
$129/person

More information can be found at **www.theBHCA.org**

BANK OWNERS' BOOT CAMP • Thurs., April 11 • REGISTER ONLINE TODAY

# BANK OWNER

BANK HOLDING COMPANY ASSOCIATION
7400 Metro Blvd., Ste. #217
Minneapolis, MN 55439

Not a BHCA Member?

## Join Today!

Whether your ownership consists of a few shares or 100 percent, you will find BHCA membership delivers unbeatable value.

www.theBHCA.org/join

**2019 Spring Seminar**
Innovation *and* Performance
May 6–7, 2019
Minneapolis, Minn.

Don't forget to visit us at: theBHCA.org!

**Bank Owners' Boot Camp**
April 11, 2019
Kansas City, Mo.

**2019 Fall M&A Seminar**
Oct. 7–8, 2019
Minneapolis, Minn.