

Bank Owner

theBHCA.org — Spring 2024

Bank Holding Company Association Magazine

Destination: Success *Spring Seminar Preview*

**Banks Weathering
Discordant Federal Policies**

**Leadership Role Enhances
Director's Networking Superpowers**

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The Bank Holding Company Association exists to provide education and business connections critical to the vitality of bank holding companies.

Founded in 1981, the BHCA 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 at theBHCA.org. Managing Director Tom Bengtson serves as editor. Contact him at (952) 835-2248 ext. 101 or email us at Tom@thebhca.org.

ON THE COVER:

The Westin Edina Galleria - site of the 2024 Spring Seminar

BHCA

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www.theBHCA.org

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We have an exciting year ahead of us at the BHCA!

Greetings, and welcome to this first edition of *Bank Owner* magazine for 2024! I am honored to serve as your BHCA President for 2024. I have served on the BHCA board since January 2022, and Crown Bankshares has been a member for as long as I can remember. I have always found that the BHCA delivers tremendous value for its members. Service to the BHCA board and its membership is one of the best ways I know to give back to an industry that has been so important to my family and me.

A little about me: I was part of a group that founded the bank and its holding company, Crown Bankshares, in the year 2000. As Chairman of the Board since September 2018, I have championed the bank's team in cultural and financial transformation, emphasizing strategic financial planning oriented toward the success of our clients and partners.

Last year, I learned a lot watching Denise Bunbury of Bell Bank, who served as the BHCA President. Her "people" skills are impressive, as I so often watched her put bankers at ease during conversations at the BHCA seminars. If you don't know Denise, I encourage you to read the profile of her in this edition of *Bank Owner*.

As I think about last year, I think the BHCA really delivered on its educational mission. I remember seminar sessions on the economy, artificial intelligence, raising capital, purchase agreements, banking-as-a-service, small business lending and board issues, among others. There were informative panels where bankers shared their thoughts on real estate issues related to acquisitions, and unique deals involving non-conventional buyers. I always like to hear stories from bankers who are trying to do some of the things we are trying to accomplish at Crown, but I also like to hear from bankers who are approaching this business from a completely different angle and are making a difference in ways I would not have imagined.

I hope you will plan to attend this year's Spring Seminar, scheduled a week sooner than previous years, for April 29-30. The theme is Destination: *Success*, and we are emphasizing issues related to liquidity planning, leadership, and innovation. Kris Williams, the president of the Federal Home Loan Bank of Des Moines, will share thoughts and lead a panel discussion on wholesale funding.

In another highlight, Michael Flaxbeard of Forvis will lead a panel discussion on innovation. The session will include first-hand accounts of some of the various ways bankers are doing business "outside the box," so to speak. Panelists are Jill Castilla of Citizens Bank of Edmond, Okla., Chris Bornheimer from the Bank of Orrick, Mo., and Melissa Eggleston of nbkc in Kansas City. I am really looking forward to hearing from these bankers.

The economy is a favorite subject of study for me, so I am looking forward to hearing comments from Bell Bank's economist, Greg Sweeney, who is our opening luncheon speaker on Monday. We are closing our seminar this year with an awards luncheon, where we will recognize bankers who are making a difference in their banks and in their communities. The awards are presented in partnership with *BankBeat* magazine. There is a lot of great talent in the banking industry, and we are pleased to be able to shine a spotlight on some of it at this lunch. Our speaker is the very insightful and entertaining Jack Stahlmann, who will explain how to make the most of the "it" factor, which will help you stand out from the crowd.



By John Healey
Crown Bankshares
Edina, Minn.

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President's Observations, Continued on page 14

Banks weathering discordant federal policies

I was at an industry conference recently and one of the presenters used the term “zombie” banks, in reference to banks that have unrealized losses in their bond portfolios that exceed their capital. Zombie is a pejorative term, and I really wish the speaker hadn’t used the term.

I remember hearing it for the first time in the 1980s when many banks failed. You probably remember the situation. Banks lent money on the inflated value of farmland. The price of the land plummeted and all of a sudden the collateral failed to cover the full value of the loan. Farmers who defaulted on their loan payments stuck the banks with the losses. In some cases, the cumulative losses exceeded the banks’ capital.

The situation today is much different than it was in the 1980s. Back then, bankers were dealing with a significant asset quality problem. There is no asset quality problem today. In the 1980s, borrowers forced banks to take losses when they abandoned their farmsteads. Today, the bond portfolio losses are unrealized and most banks are in position to ride out the issue until the bonds mature.

If someone makes an obviously foolish management decision, application of a term such as zombie might make sense. But that is not what has happened recently. Consider that the U.S. government flooded the country with money during the pandemic, and most of those dollars found their way into bank accounts. Given that many businesses and organizations closed during the pandemic, loan demand fell way off. There was no way to deploy those new deposits with new loans. So, of course, bankers looked to the bond market to put those deposits to use. Then, after a decade of rock-bottom interest rates, the Fed substantially raises rates in a hurry – in an unprecedented manner.

Some bankers may have been caught off guard, but they are not zombies. In fact, the thing that I believe is really amazing is that despite the discordant government policy, most banks are going to get through all this relatively unscathed.

More lawsuits

The relationship between bankers and their regulators ebbs and flows. Perhaps the most influential factor is the political party in control of the White House. I have to say that the current environment seems to be more contentious than anything I can remember. In the latest example of the tension, the ABA and the ICBA, in addition to other groups, announced they are suing regulators over updates to the Community Reinvestment Act.

The suit, filed Feb. 5 against the Federal Reserve, FDIC and the OCC, seeks a preliminary injunction against the CRA along with a court order that the update is illegal. The plaintiffs say the regulators exceeded their authority under the Administrative

Procedures Act (APA). At issue is the way the regulators would evaluate bank lending. CRA requires it be considered in context of the deposit-taking footprint of the bank, but in the case of the proposed CRA amendments, a much broader footprint is considered. Plaintiffs also say the amendments add requirements related to customer income levels. These amendments expand the scope of CRA without seeking the appropriate public comment, which the plaintiffs argue is a violation of the APA.

Add this lawsuit to the cases banking trade groups have recently brought against regulators regarding the data collection requirements in Section 1071 of the Dodd-Frank Act, and the suit the Minnesota Bankers Association filed against the FDIC last summer for APA violations related to fees on re-presented checks.

In each of these cases, regulators appear to be attempting a shortcut by amending rules in ways that create substantial new requirements. Rather than limiting enforcement to congressional intent, the regulators seem to be trying to expand the rules according to their intent. Let’s remember that regulators are not elected by the general public. They do not get to make up the rules as they go along.

Regulators actually possess substantial ability to interpret congressional rules, and if they conduct the hearings and give the public appropriate time to comment, they can in effect do almost anything. But in these cases, they have declined to take the appropriate steps and are trying to cut corners. The trade groups are right to call them out on it. Sometimes it takes a lawsuit to make a point.

Time to tax credit unions

If you haven’t seen the policy paper produced by the Tax Foundation regarding the tax-exempt status of credit unions, I encourage you to go to www.TaxFoundation.org and look it up. This is the most thorough and compelling argument I have ever read regarding the reasons the federal government should assess income taxes on credit unions.

You know all the arguments: credit unions no longer serve defined groups of people identifiable by a common bond; credit unions really do not focus on people of modest means and in fact



By Tom Bengtson
BHCA Managing Director

Leadership role enhances her networking superpower

By Jackie Hilgert

Throughout her nearly 40 years in banking, Denise Bunbury has focused first on fostering relationships. As she reflects on her year as president of the Bank Holding Company Association, a term she recently concluded, Bunbury said what she gained through her involvement on the BHCA board will serve to deepen those banking relationships going forward. “It’s been the networking, really, that is so important to someone in my position,” said Bunbury, the Wisconsin-based correspondent banker for Fargo, N.D., State Bankshares Inc., the parent company of Bell Bank.

What BHCA membership, and taking on a role in leadership, afforded Bunbury was developing an ability to be conversant on topics beyond her specialty, which is commercial lending. At the BHCA, “we are talking about what’s going on in banking as a whole, and what owners and directors and presidents are concerned about, whether it’s keeping up with technology or staffing or upgrading the core ... and because I’m talking to so many bankers, I can reach out, make a connection.”

Bunbury has been a member of the BHCA since joining Bell Bank eight years ago. The Wisconsin native had been a commercial lender at Bankers’ Bank in Madison when Bell came calling. Both roles allowed her to “affect change at community banks” beyond helping businesses as a commercial lender.

Cementing a career with meaning

Bunbury’s professional history includes stints at a number of community banks (M&I Bank of Jamestown in Fitchburg, Wis., Bank of Sun Prairie, Wis., and First Business Bank, Madison, Wis.), all roles that layered on increased focus on helping businesses. With experiences as diverse as loan operations, personal banking, even collections giving her the deep dive into banking, the fruits of her efforts were sweetest when things got personal. “I just liked helping people realize their dreams, whether it was buying a car or starting a business,” she said. “It makes you feel part of the community that

you were helping to do something.”

A career in banking hadn’t been Bunbury’s original goal. “I wanted to work for a Big Eight accounting firm,” she said. While interviewing after college in 1985, Bunbury was told she didn’t have the personality to sit behind a desk and shuffle paper all day. It was a fortuitous assessment because banking allowed her “to work with numbers but also with people.”

In those early years, she probably couldn’t have envisioned the hours she would someday spend behind the wheel of her Ford Explorer, criss-crossing the Dairy State, winnowing her way through Michigan’s woodsy Upper Peninsula, or taking the occasional dip into northern Illinois (though never as far as Chicagoland). Calling on bankers is the right fit for the self-described “salesperson” who understands that in the context of selling loan participations or bank stock loans, “no” doesn’t mean “no” but instead means “not right now.”

“When I get in front of a customer, whether it’s the senior lender, the owner or the president, I want them to see what our integrity is, and that we’re here to help,” Bunbury explained. “I want to be their next call, to prove what we can do.”

When in conversation with a banker, Bunbury, who calls Eau Claire, Wis., home, makes clear the difference between being focused on relationships versus transactions: “I need the client to trust me; not just Bell, but me.”

Yet Bell Bank, with its tagline “Happy Employees; Happy Customers” offers Bunbury the opportunity to infuse her personal reputation with a reputable brand known for giving back, especially with the bank allowing its employees to direct charitable contributions to organizations that are personally meaningful.

In her first year with Bell, Bunbury directed her Pay It Forward contribution to Gilda’s Club Madison, which provides emotional support and education to people fighting cancer, or their caregivers. Bunbury, the oldest of seven siblings, lost one sister to cancer recently, has another sister who is a stage four colon cancer survivor, and has herself had to twice beat back LGL leukemia, a non-curable but treatable cancer. When Bunbury was first diagnosed with the disease, she was given eight months to live. That was in 1993. “It puts things in perspective.”

Passion for helping

Because networking is her superpower, and because her perspective comes from the commercial lending side of the bank,



Bunbury



Denise Bunbury networking with associates at a recent BHCA event.

Bunbury Profile, Continued on page 14



DESTINATION: **SUCCESS**

BHCA SPRING SEMINAR DESTINATION: *SUCCESS*

APRIL 29-30, 2024 | WESTIN GALLERIA HOTEL, EDINA, MINN.

The Bank Holding Company Association is bringing together some of the nation's top industry experts and some of the most innovative community bankers for a two-day Spring Seminar that will both inform and inspire. Make plans today to attend Destination: *Success*, an event you can't afford to miss if you are focused on the future and how to make the most of it.

The 2024 Spring Seminar brings you the following sessions:

- Dan Marks of SRM Account Boost, providing insight into strategies for raising your net interest margin.
- Kris Williams, president of the Federal Home Loan Bank of Des Moines, leading a banker panel at the intersection of housing finance and liquidity planning.
- Leadership expert Robb Rempel of Haberfeld, sharing ideas for high-payoff activities that set apart top-performing leaders in banking.
- Economist Greg Sweeney of Bell Bank, assessing the impact of the current rate environment, inflation pressure, monetary policy, consumer behavior and market reactions on your bank.
- Chris Bornheimer, Bank of Orrick, Mo., Melissa Eggleston, nbkc, Kansas City, and Jill Castilla, Citizens Bank of Edmond, Okla., sharing stories from the front lines of community bank innovation. Panel discussion led by Michael Flaxbeard of Forvis.
- Don Musso, president of FinPro, with researched responses to some of the top concerns of community bank board members.
- Breakout sessions on ESOPs, data analytics and open banking.
- And, our second annual awards luncheon, featuring guest speaker Jack Stahlmann whose message identifies the qualities that set some people apart as exceptional.
- Bonus: arrive early on Monday, April 29 to take in the pre-seminar session hosted by Performance Trust called "Capital Allocation through Volatile Times"

The BHCA Spring Seminar is the perfect meeting for your senior leadership team, board of directors, mid-career rising stars, and you. Register today by completing the form in this magazine, or register online at www.theBHCA.org. Register before April 1, and be entered into a drawing for a free registration to a future BHCA event.

AGENDA

Monday, April 29

8:00 - 11:00 | **Capital Allocation Through Volatile Times**
Performance Trust Pre-Seminar

Noon - 12:45 | **Buffet Lunch**

12:45 - 1:45 | **The Economy: Inflation, the Fed and the Consumer, By Greg Sweeney, Bell Bank**
Inflation is impacting consumer purchasing power and overall economic strength. This session will cast a spotlight on the pivotal role played by the Federal Reserve, its mechanisms in managing inflation through monetary policies and interest rate adjustments. Sweeney will assess the impact of inflation on consumer behavior, spending patterns, and financial well-being. The interconnected dynamics lead to more valuable insights into the broader economic landscape and the factors shaping overall economic conditions.

1:45 - 2:05 | **Break**

2:05 - 3:00 | **Leader for Tomorrow, Today! By Robb Rempel, Haberfeld**
Good leadership doesn't just happen; it should not be taken for granted. The needs and expectations of the emerging workforce create new challenges that demand ownership attention now. Regardless of your position, leadership entails operating with integrity, adapting to the needs of others, and modeling expectations. In this interactive session, we will discuss how leaders can motivate their staff to prepare for increased competition, technological advancements, and generational differences.

3:00 - 3:50 | **Maximizing Margin Expansion in a Dynamic Rate Environment, By Dan Marks, SRM Account Boost**
The elevated interest rate environment and uncertainty of the future portends an opportunity for expansion of Net Interest Margin. NIM expansion is not a given, however, and the range of impact from one financial institution to another will be significant. Data analytics that reveal the intersection of portfolio and customer relationship factors is fundamental to developing a strategy that produces the most positive impact on NIM.

3:50 - 5:05 | **Liquidity planning and Housing Finance, By Kris Williams**
Williams, the president of the Federal Home Loan Bank of Des Moines, will describe funding options created by the FHLB's housing finance goals. She will be joined by bankers who will share case studies describing practical usage of FHLB advances.

5:10 - 6:30 | **Reception** (Dinner on your own)

Tuesday, April 30

7:45 - 8:30 | **Buffet Breakfast**

8:30 - 9:30 | **Issues Impacting Banks in 2024**
By Don Musso, FinPro
As a result of the recent volatility impacting financial institutions and to avoid more "surprises" on their watch, the regulatory world is deepening examination scopes resulting in a dramatic rise in CAMELS downgrades. Liquidity rules are being re-examined to bring them forward to a digital age. Capital is being risk assessed. Corporate governance expectations are rising and concerns over asset quality are taking center stage. These issues will be fully explored and practical solutions discussed.

9:30 - 10:45 | **Innovative Banking Drives Success**
Moderator: Michael Flaxbeard, Forvis
Panelists: Chris Bornheimer, Bank of Orrick, Mo.; Melissa Eggleston, nbkc, Kansas City, Mo.; Jill Castilla, Citizens Bank of Edmond, Okla.
Hear from three industry veterans on the forefront of innovative banking in the Midwest. Our panelists will share the trials and tribulations of disrupting community banking. Will their vision pan out? It is not all rainbows, butterflies and regulatory-free bliss but their journey may just spark the desire for change at your community bank.

10:45 - 11:15 | **Break**

11:15 - Noon | **Breakout sessions**
"Understanding ESOP Essentials"
By Matt Middendorp, ESOP Partners
"Staying nimble with commercial loan pricing"
By Andy Morgan, Forvis
"Open Banking enables tech solutions"
By Kevin Schalk, Baker Tilly

Noon - 12:50 | **BHCA Awards Celebration luncheon**
The Bank Holding Company Association, in partnership with BankBeat magazine, recognizes outstanding industry contributions from several industry leaders. This second annual leadership luncheon celebrates the industry's amazing talent and exceptionally bright future.

12:50 - 1:45 | **Luncheon presentation: The Intangible "It" By Jack Stahlmann**
Professional speaker Jack Stahlmann examines the "it" quality movie stars possess that you can't quite put your finger on... or can you? By sharing humorous and humbling tales of his Tinseltown adventures, Stahlmann breaks down the "it" factor that makes certain actors superstars and shares how you can use those lessons to go from a small player to a star in your profession.

2:00 | **Adjourn**

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The cost of the meals, entertainment and breaks included in the registration fee for this event are estimates at \$150 on Monday, and \$150 on Tuesday. This information is provided for your tax records in keeping with IRS deductibility provisions. By registering, you authorize the BHCA to use your image for promotional purposes. Cancellation Policy: Due to commitments and expenses, all cancellations after April 15 will be subject to a \$75 processing fee. We regret that no refunds will be given after April 22, 2024; 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 Paula@NFRcom.com or Susan@NFRcom.com.

Investment banking team launches TruStar Advisors

TruStar Advisors is a new firm created by Craig Mueller and David Stieber, two experienced investment bankers in the community banking arena. Launched Jan. 2, the pair are serving community banks, bank holding companies, bank owners and specialty finance companies throughout the Midwest.

TruStar Advisors is a new BHCA Associate Member.

Leveraging experience from Oak Ridge Financial where both worked for more than a decade, Mueller and Stieber are focusing on raising capital, facilitating merger and acquisition opportunities, and providing strategic consulting from their Twin Cities office. While at Oak Ridge, the pair were involved in more than 75 transactions and advisory assignments involving community banks.

“We are excited to move our practice to the TruStar brand providing our advisory services with continued competency, performance and integrity,” Mueller commented.

“TruStar will continue to provide high quality M&A advisory, fairness opinions, and valuation services to our clients,” Stieber said. “Importantly, our capital offering capabilities will be enhanced via our affiliation with Patrick Capital Markets.”

Patrick Capital Markets, LLC, is based in St. Louis.

Mueller, Managing Partner and co-founder of TruStar Advisors, brings nearly 40 years of experience and deep relationships related to community banking. Mueller spent the first 13 years of his career at the American National Bank of St. Paul as a commercial lender and then transitioned to its Investment Department. He then joined Dain Rauscher, Inc., and started its Financial Institutions Unit in the Fixed Income Department. Mueller was Managing Director and Co-head of the Financial Institutions Group at Oak Ridge for nearly 17 years.

In 1997, Mueller was a seed investor in the Twin Cities *de novo* bank that now has more than \$1 billion in assets. This launched an opportunity to enter investment banking by



Mueller



Stieber

assisting another six groups to start *de novo* banks. During this process, Mueller sat on two bank holding company boards of directors, learning first-hand the meaning of fiduciary responsibility.

Mueller has a B.S.B.A. degree in Finance from Creighton University.

Stieber, also Managing Partner and co-founder of TruStar Advisors, brings nearly 25 years of experience advising community banks, mergers and acquisitions, equity and debt capital, stock valuation and other general financial advisory assignments. During his career, Stieber has worked on more than 100 completed assignments for community banks.

Stieber spent 14 years at Oak Ridge Financial as Managing Director and Co-head of its Financial Institutions Group focused on the community banking industry. Prior to Oak Ridge Financial, Stieber acted as a consultant to a major Midwestern financial institution working directly with senior management on M&A strategies, target identification and analysis. Stieber started his career at RBC Capital Markets, spending 10 years working with financial institutions in the central United States.

Stieber has a B.B.A. degree in Finance from the University of Iowa and he is a Certified Public Accountant. ■

Accounting firm opens Viking Lakes training center

CLA announced Feb. 6 it has signed a 16-year lease for training space at the Viking Lakes Campus in Eagan, Minn.

The accounting firm, which has more than 130 offices across the country, intends to use the space for a connection center. The approximately 40,000-square-foot office will be built out over the next year. Once complete, CLA team members from across the region and country will gather at the site for learning and development, ongoing training, team building and more.

CLA will be investing \$10 million for a dedicated connection

center within the Viking Lakes campus. RSP Architects and ICRAVE have been engaged to design the space, which is expected to open in 2025.

Viking Lakes is a 200-acre, mixed-use master planned development owned and operated by the Wilf Family (dba MV Ventures). Anchored by the Minnesota Vikings team headquarters and training facility, Viking Lakes is approved for up to 3 million square feet of commercial and medical office space, multi-family housing rentals, lodging, retail/restaurants and entertainment outlets. ■

Acquisition gives accounting firm stronger Upper Midwest presence

Brady Martz & Associates, an accounting firm with a significant banking practice, recently acquired Woltman Group, PLLC. The merger became effective last Oct. 1.

Woltman Group has been providing accounting, tax and advisory services to businesses and individuals since 1988

when they were Pfeiffer Woltman Kutz PC. From 2008-2010, several additional partners joined the firm and in 2016, it was reorganized and rebranded as Woltman Group. Today, the firm serves thousands of business and individual clients throughout the Upper Midwest. In addition to Sioux

Falls, Woltman Group has an office in Marion, S.D.

“The combination of our firms will enhance career path opportunities for our team members as well as service opportunities for clients,” said Todd Van Dusen, CEO of Brady Martz. ■

Commercial loan pricing platform from Forvis now available

BHCA Associate Member Forvis, an accounting and consulting firm, announced the launch of LoanPricingPRO[®], a tool that helps lenders strategically price commercial loans using real-time metrics to bolster their profitability goals.

LoanPricingPRO is designed to help financial institutions manage and grow loan portfolios by factoring in the value of existing customer relationships and optimizing proposed terms with real-time profitability analysis. It was developed alongside Andy Morgan, who has more than 20 years of consulting experience helping banks improve their profitability. Morgan is a director with the enterprise risk and quantitative consulting team at Forvis, having joined the firm following its acquisition of ProBank Austin in 2022.

LoanPricingPRO's key features include:

- Benchmark calculator providing profitability-enhancing recommendations
- Relationship-based pricing
- Custom risk-adjusted pricing
- Product-specific expense allocations
- Configurable minimum and desired ROE targets

This newly launched product is a significant evolution and refinement of a tool previously offered by ProBank Austin. The new platform's reporting allows financial institutions to dive deep into layers of meaningful data and track performance in an easy-to-use dashboard format. Decision makers can leverage the provided insights for objective analysis, Morgan says.

“Many institutions are still heavily reliant on intuition for their pricing strategies, which often leads to an unclear picture of

how profitable their loans really are,” Morgan says. “LoanPricingPRO can help eliminate guesswork leading to more quantitative and strategic pricing decisions.”

The investment of time Forvis professionals make to work with clients as they adopt the platform is one of LoanPricingPRO's key differentiators, says John Bourquard, national practice leader for Loan Review Services at Forvis. The firm's team members help clients customize pricing models within the tool and train an institution's staff to best leverage it for their purposes.

“A loan pricing tool is only as good as the way it is configured,” Bourquard says. “I'm extremely proud of our team's approach to developing not just a powerful analytical tool, but a platform that allows us to use our insights and experience to help our clients unlock their full potential in ways that are unique to their needs.” ■

Long-time bank attorney reflects on career as he retires

Bob Monroe, the long-time bank M&A attorney at Kansas City-based Stinson, retired on Dec. 29, 2023, concluding a legal career of 48 years. Stinson partnered with the BHCA to present two seminars in Kansas City in the years immediately preceding the covid pandemic. Monroe was a featured speaker at those events.

Monroe said he has seen significant change during his career, which started in 1975 when there were about 22,000 banks in the country. He said he has been involved in 300 to 400 bank transactions. “Each one was special,” he said. “We took several holding companies public. We helped buy failed banks.”

Monroe began working at Stinson in 1995, coming from Lewis Rice. During a

phone interview, he reflected on some of the most significant moments in his career.

“The thing that changed everything,” Monroe commented, “was the Tax Reform Act of 1986. It caused around 2,500 savings banks to fail. It caused property and farms to lose value.” Prior to the 1986 reform, Monroe explained that investors were able to take sizeable deductions on property in which they invested small amounts of money. “Plus,” he said, “interest rates went to 20 percent.”

Monroe commented that the regulatory environment ebbs and flows. Most recently, he said, he was dealing with regulatory requirements that make it necessary for subchapter S banks to obtain new shareholder agreements after 25

years. The 25-year threshold is fast approaching for many banks. “Many have provisions allowing for modification

of agreements if 60 percent of the shareholders agree, but the regulators are saying that won't do it, that we have to get new agreements from everyone,” Monroe said. “You can imagine the mass chaos this is causing.”

What will he do during retirement? Even Monroe said he wasn't completely certain. “I will try to figure out how to use and take up my time, which I haven't figured out yet,” he said. ■



Monroe

New to BHCA

The Bank Holding Company Association is pleased to welcome the following new Associate Members:

Stephens, Inc.

Ted Rosinus, Managing Director
Chicago, Ill.

Our senior depository banking team provides expert market intelligence, advisory and execution services while aligning with clients as partners and not competitors. We truly understand the depository space, and are highly active with a wide range of private and public companies that come to us for everything from IPOs and private placements to mergers and acquisitions.

Krahmer Law Firm

Fred Krahmer, attorney
Fairmont, Minn.

Fred Krahmer serves as chairman of the board for Profinium, Inc., a Minnesota-based bank holding company.

BDS Yarmouth & Choate

Rob O'Halloran
Atlanta, Ga.

Since 2002, BDS Yarmouth & Choate has specialized in connecting financial organizations with talented individuals for leadership and other key positions. Our firm is focused on finding the perfect fit for critical roles throughout the organizational structure and ensuring each candidate also fits the client's unique culture.

The BHCA is also pleased to welcome two new members:

CNB Financial Corporation

Allen Liestman, President/CEO
Beth Schnell, Chair of the Board/owner
Litchfield, Minn.
Center National Bank, Litchfield

Broadway Bancshares, Inc.

Matthew Uhan, President
Gilbert, Minn.
First National Bank of Gilbert

Join Us For Capital Allocation Through Volatile Times

Performance Trust
is hosting a BHCA Pre-Seminar Workshop in the

Cahill Ballroom

(next to the BHCA meeting space at the Westin)

April 29, 2024 | 8:00 A.M. - 11:00 A.M.

Performance Trust is proud to partner with BHCA as we move through 2024 with the common purpose of making the strongest capital allocation decisions for our institutions and clients. Through difficult and easy times your success is our success.

Michael Ritter, Director
(312) 521-1459
mritter@performancetrust.com



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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:

- ▷ Castle Creek Capital Partners VI, LP, San Diego, Calif., filed to acquire shares of Tri-County Financial Group, Inc., and thereby acquire shares of First State Bank, both of Mendota, Ill.
- ▷ Lincoln County Bancorp, Inc., Troy, Mo., filed to acquire an additional 62.28 percent of Kahoka State Bank, Kahoka, Mo., for total ownership of 90.56 percent.
- ▷ Daniel J. Murphy, Elkhorn, Neb., filed to join the Murphy Family Control Group, to acquire shares of Ameriwest Corporation, and thereby acquire shares of First Westroads Bank, Inc., both of Omaha, Neb.
- ▷ Midfed Acquisition Corp., Wilmington, Del., filed to become a savings and loan holding company by acquiring Midland Capital Holdings Corporation, and thereby acquiring Midland Federal Savings and Loan Association, both of Bridgeview, Ill.
- ▷ Notice filed by The CN 2023 Dynasty Trust, Milwaukee, with Gregory P. Nicklaus, Acbar Vitae, Wis., and Peter J. Wilder, Pewaukee, Wis., as co-trustees, and the DN 2023 Dynasty Trust, Milwaukee, with Todd R. Nicklaus, Rothschild, Wis., and Peter J. Wilder, Pewaukee, as co-trustees, to join the Nicklaus Family Control Group and acquire shares in River Valley Bancorporation, Inc., and thereby acquire shares of IncredibleBank, both of Wausau, Wis.
- ▷ Adams Land Improvement, Inc., Arapahoe, Neb., filed to acquire shares of Central Bancshares, Inc., Cambridge, Neb., and thereby acquire shares of First Central Bank, Cambridge; First Central Bank McCook, Neb.; and Republic Corporation and United Republic Bank, both of Omaha, Neb.
- ▷ The Stitt Dynasty Trust, Tulsa, Okla., filed to acquire shares of Gateway First Bancorp, Inc., Jenks, Okla., and to join the Stitt Family Group, and thereby acquire shares of Gateway First Bank, Jenks.
- ▷ Northstar Financial Group, Inc., Bad Axe, Mich., filed to acquire Mainstreet Community Bank of Florida, DeLand, Fla.
- ▷ Marcus Houghton and Corbin Houghton, both of Wichita, Kan., filed to retain and acquire additional shares of PBT Bancshares, Inc., and thereby retain and acquire shares of Peoples Bank and Trust Company, both of McPherson, Kan.
- ▷ Cosperity Bancorp, Inc., Lee's Summit, Mo., authorized to become a mutual bank holding company by acquiring First Federal Bank of Kansas City, Lee's Summit, upon the conversion of the bank from mutual to stock form.
- ▷ Jeanette Postier and Stephen Postier, both of York, Neb., authorized to become members of the Postier Family Group, a group acting in concert to acquire additional shares of Henderson State Company and thereby acquire additional shares of Henderson State Bank, Henderson, Neb.
- ▷ Notice filed by Beth E. Brotherton, Taylorville, Ill., and others, to acquire and to retain shares of First Bancorp of Taylorville Inc., and thereby acquire and retain shares of First National Bank in Taylorville, and First Security Bank, Mackinaw, Ill.
- ▷ First Busey Corporation, Champaign, Ill., filed to merge with Merchants and Manufacturers Bank Corporation, Channahon, Ill., and thereby acquire Merchants and Manufacturers Bank, Joliet, Ill.
- ▷ Forward Mutual Holding Company and Forward Financial, Inc., both of Marshfield, Wis., filed to acquire Lake City Federal Bank, Lake City, Minn.
- ▷ Ryan Sullivan and Bryan Adams, both of Mission Hills, Kan., filed to establish the Sullivan/Adams control group, to acquire shares of Orrick Financial Corporation, and thereby acquire shares of The Bank of Orrick, both of Orrick, Mo.
- ▷ High Plains Banking Group, Inc., Flagler, Colo., has elected to become a financial holding company.
- ▷ Old National Bancorp, Evansville, Ind., filed to acquire through merger 100 percent of CapStar Financial Holdings, Inc., and thereby acquire CapStar Bank, both of Nashville, Tenn.
- ▷ MidwestOne Financial Group, Inc., Iowa City, Iowa, authorized to acquire Denver Bankshares, Inc., and thereby acquire Bank of Denver, both of Denver, Colo., in connection with the merger of Bank of Denver with and into MidwestOne Bank, Iowa City, Iowa.
- ▷ Oikonomia Financial Holdings, LLP, and others authorized to acquire shares of Integrity Capital Holdings, Inc., and thereby acquire shares of Integrity Bank & Trust, Monument, Colo.
- ▷ Flagship Financial Group, Inc., Eden Prairie, Minn., authorized to merge with Security Bancshares Co., and thereby acquire Security Bank & Trust Company, both of Glencoe, Minn.
- ▷ The Orville A. Rehder 2nd Revocable Living Trust of Hawarden, Iowa, and others authorized to acquire shares of First State Associates, Inc., and thereby acquire shares of Rivers Edge Bank, Marion, S.D.
- ▷ Randall J. Blue, Sedalia, Colo., and others authorized to acquire shares of Republic Financial Corporation and thereby acquire shares of Southwest National Bank, Wichita, Kan.
- ▷ SBN Community Bancorp, Inc., Newburg, Wis., has elected to become a financial holding company.
- ▷ Treynor Bancshares, Inc., Treynor, Iowa, filed to acquire shares of TS Contrarian Bancshares, Inc., Treynor, and thereby acquire shares of Bank of Tioga, N.D., and First National Bank and Trust Company, Clinton, Ill. TS Contrarian Bancshares, Inc., will be merged into Treynor Bancshares, Inc., with Treynor Bancshares, Inc., being the survivor.
- ▷ Glacier Bancorp, Inc., Kalispell, Mont., authorized to merge with Community Financial Group, Inc., and thereby acquire Wheatland Bank, both of Spokane, Wash.
- ▷ Notice filed by JFG Control, LP, of Racine, Wis., to acquire shares of Johnson Financial Group, Inc., thereby acquiring shares of Johnson Bank, both of Racine.
- ▷ SBN Community Bancorp, Inc., Newburg, Wis., elects to become a financial holding company. ■

President's Observations, Continued from page 4

There is a lot more going on at the seminar, including a pre-seminar event on Monday morning focused on capital allocation, presented by BHCA associate member Performance Trust. I encourage you to study the information in this magazine about the seminar and register today. Or, register online. And don't come alone. Plan to bring members of your board of directors, and other senior executives from within your organization. If you register by April 1, your name will be placed in a drawing for a free registration to a BHCA seminar in the future.

The BHCA board is always looking for ways to add value to the BHCA membership. For example, we are looking at the

possibility of developing some sort of leadership training option. There are a number of training options in this arena currently available, and we are not looking to compete with any of them, but we believe there may be an opportunity to offer something currently unavailable. If you have ideas about the leadership training needs in your organization, please feel free to talk to me, or to share your thoughts with our managing director, Tom Bengtson.

I have a good feeling about 2024, and I invite you to make the most of your year by attending both our BHCA seminars this year (Fall Seminar is set for Oct. 7-8) and connecting with as many of our members and associate members as possible. ■

Down to Business, Continued from page 5

serve a generally wealthier customer group than banks; and credit unions increasingly are operating like banks. The study notes that while the number of credit unions have declined by 30 percent in the last year, credit union industry assets have more than doubled to \$2.17 trillion from \$1.02 trillion. The typical credit union in 2022 had assets of \$455 million.

The Tax Foundation argues that mobile and online banking have really made the idea of common bond or field of membership obsolete, since anyone with access to a computer can now get banking services. They also lament that credit unions are not required by any rules to collect data which

demonstrates they are serving underserved markets or people of modest means. And, although non-profits, federally-chartered credit unions are not required to file IRS form 990, a form other nonprofit organizations in the country fill out annually. This is an unreasonable lack of transparency for an industry that enjoys a tax subsidy of at least \$3 billion annually, but as much as \$21 billion if other subsidies are considered.

The study concludes: "Fairness and equity demand that credit unions be put on the same tax footing as the banks they compete with. In an era of \$2 trillion deficits, subsidizing credit unions is a luxury taxpayers can no longer afford." ■

Bunbury Profile, Continued from page 6

Bunbury said she privileged her listening skills while serving on the BHCA board. "I see things differently because of my role with Bell than the other board members," she said. "It was interesting to sit at that table and listen to bank presidents, to learn what they're looking at."

Bunbury also enjoyed the in-depth conversation she and Tom Bengtson engaged in, as well as learning all that goes into planning the Spring and Fall Seminars.

Not that she wasn't intimidated at first, coming in "as an employee" of a bank. "I didn't think I had anything to offer," Bunbury said. In time, and with mentorship from other board members, especially former BHCA presidents Brenda Johnson and Mary Jayne Crocker, "I felt I could lend some value by relaying what I was hearing out on the streets, what was important."

Those insights helped Bunbury give shape to who was invited to speak at Seminars, and gauge attendees' perceptions and collect their takeaways. "I've met so many wonderful people," she reflected, "and that's what means the most."

With her focus on building and fostering relationships, Bunbury's role as a community bank-focused correspondent

lender fits her perfectly. "It's a relationship business; their customers are not just a number," she said.

People are increasingly interested in relationships, she said. She sees the shift in her 37-year-old daughter Chandra, who recently purchased a house in the Twin Cities. "She used to boast about doing everything online, but now that she's older, even she wants to sit down across a desk and look somebody in the eye," Bunbury said. "You want to know who you can trust." ■



Denise Bunbury (left) at a BHCA seminar with Laura Meyer Dick, First Kansas Bancshares, and Todd Holzwarth of Bell Bank.

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