Emerging Leaders Program Expands in 2010

The future of community banking depends upon a new generation of bankers and community bank supporters—progressive, energetic, community-minded, and well-informed.

The purpose of ICBND’s Emerging Leaders Development Group is to keep members on the cutting edge of community banking through:

- Leadership Training;
- Quality Educational Programs;
- Networking Opportunities; and
- Professional Publications.

ICBND’s Emerging Leaders program is designed for career-aspiring community bankers. Bankers in this group should be:

- Progressive, energetic bankers who want to better themselves both personally and professionally;
- Bankers who have set their sights on a leadership role in their banks and their communities; and
- Bankers who are committed to preserving and enhancing community banking and its philosophy.

Your $100 membership fee to belong to this group will include:

- Two free roundtable events, one in the spring and one in the fall held in two locations—one on the west side of the state and one in the east. The sessions will include networking opportunities, roundtable discussions, knowledgeable and educational speakers, and some type of local tour or event;
- Quarterly electronic newsletter with informative articles regarding leadership and banking;
- A directory listing of all members;
- The opportunity to attend the Annual Emerging Leaders Retreat in June at a $50 discount. This event features education, industry updates, panel discussions, and fun events for the whole family to enjoy; and
- A 10% discount on their registration fee for the ICBND Annual Convention in August.

Are you a rising star? Do you want to lead your community and bank into the future? Do you want to better yourself both on a professional and personal level? If you do—the ICBND Emerging Leaders Development Group and Program are for you. A membership brochure is included with this newsletter. For additional information contact Wendy at ICBND at 701-258-7121 or contact any of the Emerging Leaders Committee members whose names and phone numbers are listed in the brochure.

Dakota Western Bank Celebrates 100 Years

The New Year marked not only the beginning of a new decade but also the beginning of a new century for Dakota Western Bank as 2010 marks the southwest North Dakota bank’s centennial.

Dakota Western Bank was originally founded in 1910 as Farmers State Bank in Buffalo Springs, ND. The bank remained in Buffalo Springs until 1922 when it was moved to Rhamo and renamed the Bank of Rhamo. Fifty-four years later, in 1976, the bank moved again. Relocated to Bowman, the bank became Dakota Western Bank. In addition to its Bowman headquarters, the bank operates branches in Hettinger, Rhamo and Scranton. It is the only community-owned bank in both Bowman and Adams counties, a source of much pride for Dakota Western management and employees.

“Community-owned banks are special,” says Dakota Western chairman Roger Berglund. “Our ties to our region run deep and our perspective is on how we can improve the life of our community.”

According to Berglund, who served as bank president from 1984 through June of last year, it is a perspective embedded in the bank’s philosophy. “Our philosophy is about growing the community, making our region better.”

To that end, Dakota Western Bank has been a leading contributor to local charities and regional causes; most notable among Dakota Western’s contributions is its support for both the Hettinger and Bowman hospitals.

Berglund credits the bank’s employees as the reason for the bank’s success. “We have always had outstanding employees and their dedication to our customers always comes through.”

The bank’s assets continue to grow with the region. Assets in 1924 were only $132,910; Dakota Western ended 2009 with assets of $178 million—an increase of more than a thousand times.

Dakota Western Bank will be commemorating its centennial throughout 2010 with various activities and special events highlighting the bank’s history and thanking its loyal customers.
Did you ever wonder if we would have had the financial collapse if Banks had stayed with their original business plans? Banks started out taking deposits and making loans. Community Banks tend to loan the money back into their communities promoting growth and prosperity for the area. A number of years ago with pressure from the Big Banks congress passed the Gramm-Leach-Bliley Act that allowed Banks to own insurance companies, brokerage firms, etc. Big Banks quickly became gamblers. They now have, for example, huge departments betting on whether the price of the US dollar will go up or down from another country’s currency. I do understand that a Bank who’s customers trade internationally needs to have some protection against currency fluctuation. In my opinion they now trade currency, oil and many other commodities as speculators. In 2009, for example, the manager of the energy department at CitiGroup, a very poorly run TBTF Bank, made One Hundred Million dollars in commissions trading energy contracts. Big Banks pooled mortgages, mixing good, average and subprime borrowers in the pool and sold them off to investors world wide. They used derivatives, credit default swaps, and securitization to make these pools look like they were good investments. Goldmann Sachs was caught selling off their subprime mortgages to investors and then betting that the real estate market was going to collapse. They made billions at the expense of investors and retirement plans of the American worker. Is it in the best interest of our country to have TBTF Banks speculating in currencies, oil, etc. and hiding huge subprime mortgage portfolios in off balance sheet companies? The point I am trying to make is the regulators, congress, the American people, and many of us in the Community Banks saw what the Big Banks and investment companies were doing and did very little to stop it. Congress now seems to be listening to the story told by ICBA and ICBD and seems to be passing some legislation favorable to the Community Bank and is trying to stem some of the abuses by the investment companies and TBTF Banks. Sadly, Congress and the regulators have not been able to hold the Big Banks accountable for paying out huge compensation packages of cash and stock. Millions of US citizens are now unemployed and many workers lost half of their retirement plans because of the actions of the TBTF Banks and investment companies. Community Banks are also paying the price with a huge increase in FDIC insurance and many new costly regulations. Community Banks in most cases are happy to make a reasonable profit borrowing money from the depositor and lending it back out to the borrowers in our communities. I am happy to call myself a Community Banker. I would highly recommend reading the book “The Sellout” by Charles Gasparino. The book discusses the rise and fall and greed of the investment banks and TBTF banks from the 1970’s to the 2008 collapse. The book is a great read!

Gaining Ground!

As we enter the year 2010 Community Banks are on the high ground from a media and political standpoint. There have been numerous articles in a number of publications which have focused on the difference between community banks and Wall Street banks, and congressional leaders. Senate Finance Committee Chairman Senator Dodd, House Finance Committee Chairman Barney Frank, and even President Obama have made public comments recognizing this difference. You have also been recognized by the Chairman of each of the major regulators as not being responsible for the financial crisis or the deceptive practices followed by many in the mortgage industry. This unprecedented recognition and good will gives you a prime opportunity to influence regulation for the industry. Examples where your input has held sway include getting the FDIC to change the deposit insurance fund special assessment calculation in 2009 from deposit based to asset less tangible capital based. This process alone saved you thousands (and in most cases tens of thousands) of dollars. Your voice on the importance of using this formula for all regular assessments for the DIF fund will save considerably more for you on an ANNUAL basis. This same assets less tangible capital formula is now included in H.R. 2897. This bill also includes language to require the “too big to fail” (systemically important) institutions to pay a systemic risk premium to fund a Systemic Risk Fund to pay for the resolution of any entities deemed systemically important and protect the taxpayers from having to fund future “bailouts” of these institutions.

On December 19, 2009, Robert Wilmers, chairman and CEO of M&T Bank Corp., wrote in the Wall Street Journal that financial regulatory reform must distinguish between Wall Street financial institutions and Main Street banks. He went on to state in his article that, “Any new

Continued on page 11...
Replacing a bad hire can cost **3 times** the salary of the job in question.

Reduce risk with background checks  
Call today—701.476.8778
ICBND WELCOMES OUR NEWEST ASSOCIATE MEMBERS

Company Name: Affinion Group
Address: 400 Duke Drive
City/State: Franklin, TN 37064
Contact: Misha Bleymaier
Phone: 615-764-2492
Fax: 615-764-5492
Email: misha.bleymaier@affiniongroup.com
Website: www.affiniongroup.com

As a global leader with nearly 35 years of experience, Affinion Group (www.affinion.com) enhances the value of its partners’ customer relationships by developing and marketing valuable loyalty, membership, checking account, insurance and other compelling products and services. Leveraging its expertise in product development and targeted marketing, Affinion Group provides comprehensive customer engagement and loyalty solutions that enhance or extend the relationship of millions of customers with many of the largest and most respected companies in the world, while helping to generate significant incremental revenue for more than 5,500 affinity partners worldwide, including many of the largest and most respected companies in financial services, retail, travel, and Internet commerce.

Based in Norwalk, Conn., the company has approximately 3,000 employees throughout the United States and in 14 countries across Europe. Affinion Group holds the prestigious ISO 27001 certification for the highest information security practices, is PCI compliant and Cybertrust certified.

Company Name: Bison Mountain Financial
Address: 713 Park Avenue
City/State: Lake Villa, IL 60046
Contact: Robert Uribe
Phone: 224-406-1184
Fax: 514-658-3631
Email: robert@bisonmountain.com
Website: www.bisonmountain.com

Bison Mountain Financial provides insurance and complimentary products to community banks. BMF clients get regular visits from their representative who helps them grow fee income, reduce portfolio risk and attract depositors.

Choice Financial’s Lynn Paulson Elected to Noridian Board of Directors

Lynn Paulson, CEO of Grafton-based Choice Financial Group, was elected to the open consumer seat on the Noridian Mutual Insurance Co. Board of Directors at the company’s annual meeting in December held in Fargo.

The NMIC Board of Directors is comprised of 13 people: five from health care and eight consumers. Directors must be NMIC members covered by an NMIC plan, and each director is eligible to serve four three-year terms.

The Board of Directors evaluates NMIC’s CEO, determines the CEO’s compensation and oversees corporate governance. Directors have a duty to act in good faith, in a manner the director reasonably believes to be in the best interests of the corporation.

The board meets at least six times per year, and committees of the board meet four to five times throughout the year. Each director serves on two committees. Those committees are Audit and Compliance, Governance and Nominating, Human Resources and Compensation, finance and Investment, and the Quality Committee. Directors rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by: officers or employees of NMIC; legal counsel, accountants or other persons with special knowledge; or a board committee.

Paulson has been CEO of Choice Financial Group since 1995. He is chairman of the Choice Financial Board of Directors, and director of Choice Financial Holdings, Inc. In addition, he is a member of the North Dakota School of Banking Planning and Advisory Committee, NStrall Development Board and the American Bankers Association’s CEO Excellence Roundtable. He is the immediate past chairman of NDBA Legislative Committee. Paulson earned his bachelor’s degree from NDSU, Fargo.
We’re Not Fighting for Status Quo by Camden R. Fine, ICBA President and CEO

“At war, truth is the first casualty.” — Aeschylus, Greek playwright

Congress is the battlefield where ideas and interests compete for government backing. Often the laws of Congress, shaped by compromise, bring about no outright winners. But now and then, when America’s electorate clamors for concrete change, the legislative process becomes a zero-sum game.

That’s where the historic financial regulatory-reform legislation stands. As the Senate Banking Committee takes up the legislation near where the House of Representatives left off, the megabanks, giant Wall Street firms and shadow nonbank financial players find themselves on the wrong side in a high-stakes win-or-lose policy fight. They want to preserve the status quo to continue their disproportionately lighter regulation and de facto government safety net against failure. But they and their lobbyists also know that ICBA and community bankers have overwhelming congressional and public support to end too-big-to-fail and rein in the unregulated shadow financial services companies.

ICBA’s priority measures—imposing stricter capital and liquidity standards for megabanks, establishing a process to wind down failed financial megafirms and creating a systemic-risk reserve fund—will promote a safer financial system. Those measures, and others such as adopting equitable risk-based deposit-insurance assessments, will also foster a more level playing field that has tilted hard against community banks for far too long.

Democrats and Republicans in Congress generally accept ICBA’s main policy goals for financial reform. And they widely agree that legislative remedies for too-big-to-fail and unequal regulatory treatment should not affect community banks, which is historic high ground for us. What’s left to debate are the details—and that is the tough part.

With so much in the balance, the megabank, Wall Street and nonbank lobbies hope to avoid full-blown financial reform directed squarely at them. They would rather substitute the appearance of reform and downplay or distract the debate from the genuine threats posed by too-big-to-fail and rogue nonbank financial players. To do that, they need enough community bankers to be willing to accept something less. So they’ve spread the message that financial reform would mean new restrictions or costs for community banks. They want to spread doubt and fear in the community banking industry, so that community banks will become their unwitting allies in defeating real and meaningful reform of the destructive Wall Street practices that got us all in this mess to begin with.

ICBA is working for financial reform to ensure that the regulatory system treats all financial institutions the same. That means upending the current system rigged with regulatory advantages and tacit government subsidies for megabanks and other Wall Street nonbank financial firms.

The stakes here are enormous—for community banks, for everyday Americans and for our country. ICBA has not endorsed any final financial-reform legislation to date, because there is much more to accomplish before the job is done. Yet we’ve achieved tremendous, even historic, victories in shaping pieces of the legislation so far. In the months ahead, issues will flare up over individual amendments or sections of the financial reform bill as the legislation moves forward. New threats and skirmishes may require a fast grassroots response.

Let’s remember to stay focused on our main objectives. Community banks can’t afford to settle for the status quo, as others are working to preserve—the status quo will doom Main Street. And that’s simply not an option that ICBA will ever accept.

Camden R. Fine is President and CEO of ICBA. Reach him at cam.fine@icba.org
“Why would you do that?”

I hear this question from community bankers who have the mistaken impression that ICBA supports the Consumer Financial Protection Agency proposed in Congress’s financial regulatory-reform bills.

The short, honest and important answer is—we don’t.

From the start of debate on financial regulatory reform, ICBA member leaders have made clear our position in congressional testimony, in letters to lawmakers, in op-eds, in media interviews, in talks with administration and agency leaders: Community banks do not want another agency that would only increase our regulatory burdens.

We’ve made it clear that the best way to protect consumers is to address the overleveraged, too-big-to-fail firms whose concentration risks have cost taxpayers more than $7 trillion. Congress should also address the many nonbank financial institutions that are unencumbered by most forms of regulation or accountability.

We’ve made it clear that bank regulators have expertise in balancing safe and sound operations with the requirement to inform consumers and protect them from abusive practices. Having two agencies handle enforcement would only give each agency half the information it needs, undermining both parts of a bank’s exam.

That’s the short answer. Here’s the longer one: Recognizing that the winds of Washington are blowing in favor of adding consumer safeguards while making banks and other financial companies more accountable, we stayed at the negotiating table to ensure that policymakers understood the difference between Wall Street and Main Street. We did not want one-size-fits-all legislation unfairly and unnecessarily penalizing community banks.

We won crucial bipartisan support for measures that would:
- Make the deposit-insurance-assessment system fairer for community banks;
- Establish tougher capital and liquidity standards on too-big-to-fail banks and ensure that they create a prepaid $150-billion resolution fund;
- Plug the ILC loophole to maintain the separation of banking and commerce; and
- For the first time, recognize in law that large credit unions should be regulated as banks.

As a result, the House made critical improvements to its CFPA proposal. As passed, the bill would exempt banks with less than $10 billion in assets from the CFPA’s primary exam and enforcement authority and from agency fees. The bill also excludes the “plain-vanilla product” and “reasonableness” requirements and removes the Community Reinvestment Act from CFPA jurisdiction.

Lawmakers also agreed to have the CFPA establish a special unit to ensure that community banks are not disproportionately affected by CFPA regulations. They clarified that CFPA provisions create no new private rights of action. They pledged to repeal the exclusion of thrift deposits from the 10-percent deposit-concentration cap.

ICBA is working to avoid new regulations on community banks and to make further improvements to financial-reform legislation. Naturally, megabanks and nonbanks that until now have had all the advantages vigorously opposed these measures and ICBA’s efforts to bring real balance to our financial-services system.

In sum, ICBA has not endorsed any final legislation. ICBA has not wavered in...
HTG Architects Announces New Website

HTG Architects, an architectural firm with offices in Minneapolis, Minnesota; Phoenix, Arizona; and Tampa, Florida, is pleased to announce completion of the firm’s updated website.

The new website, designed by Alexandria, Minnesota-based Studio 78 Platinum Design, highlights the firm’s work with financial institution, commercial and community entities. The site can still be accessed at htg-architects.com. Clients and those interested in learning more about the firm are encouraged to visit the site to view project photos, gain information about the firm’s process of working through projects and for office and staff contact information, among other information.

ICBND Promotes Community Banking Thru Local Media

The ICBND Communication/Marketing Committee has been working with Artech Design in Bismarck on an advertising campaign promoting community banking. The final television spot will be ready to go and will be televised statewide during the Boys State Hockey Tournament and the Boys and Girls State Class A and B Basketball Tournaments.

The ICBND Board of Directors felt that this was an opportune time to inform and educate the public on the benefits of banking with your local independent community banks.

Make the Most of Your Doctor Visit - Information provided by Blue Cross Blue Shield of North Dakota

The average office visit with a primary health care physician lasts about 20 minutes, so be prepared to make the most of your visit. These tips can help you be prepared:

- Make a list of the questions you have and leave space to write the answer down while talking to your doctor. You can always bring someone along to help record answers.
- If you are taking a child to see a doctor, tell the child the reason for the visit along with what will happen during the visit, including preparation for any tests or exams.
- During the visit, be sure to give your doctor information that may be needed to treat you. This list may include your allergies, illnesses, hospitalizations, operations and any medications you are currently taking.
- Tell your provider about your stress level, habits and activities. When you describe your present illness or complaint, be specific when describing symptoms. Don’t be afraid that your doctor will be shocked by your frankness; they have probably heard similar stories.
- If you don’t understand what your doctor is saying, ask more questions. Don’t be afraid to say you do not understand.
- Get instructions in writing, particularly the names of any medications the doctor prescribes and how much to take, how long to take it or any problems you may have in taking it. Make sure your doctor knows about any medications you are already taking.
- Ask about resource materials or web sites that might help you learn more about your diagnosis or treatment.
Johnson Named Chief Operations Officer of Choice Financial

The board of directors of Choice Financial Group named Brian Johnson as Chief Operations Officer. Johnson has been with the company since 1999, and was named president of the bank’s Wahalla location in 2001. He has also held the position of chief credit officer, and most recently served as market president for the bank’s two locations in Grand Forks. Johnson is also a member of the company’s board of directors, senior credit committee, and executive management team.

“Mr. Johnson has played a key role in the on-going growth and success of our company,” states Lynn Paulson, Choice Financial chief executive officer. “With his energy, passion and unmatched commitment to his customers, we have experienced significant growth and kept our Midwestern roots at the core of our business.”

Johnson, a native of Wahalla, graduated with a business management and economics degree. He was recently named to the Grand Forks-East Grand Forks Chamber of Commerce board of directors and was named a Rising Start by Northwestern Financial Review in 2006.

Wissbrod and Ferguson Join Choice Financial

Savanna Wissbrod and Jeffrey (JJ) Ferguson joined Choice Financial as customer service representatives in Grand Forks.

Wissbrod graduated from UND with a degree in investments. Savanna was previously employed by the university and American Eagle.

Ferguson graduated from UND with degrees in marketing and entrepreneurship. JJ was previously employed by Daktronics and Landowski Furniture.

Ferguson Joins Choice Financial in West Fargo

Savanna Wissbrod and Jeffrey (JJ) Ferguson joined Choice Financial as customer service representatives in West Fargo.

Rolewitz Joins Choice Financial in West Fargo

Vanessa Rolewitz as customer service representative in West Fargo. Rolewitz attends NDSU and is in the process of completing a bachelor’s degree in business. Vanessa was previously employed by Northtown Grill.

Choice Financial recently announced the addition of Vanessa Rolewitz as customer service representative in West Fargo. Rolewitz attends NDSU and is in the process of completing a bachelor’s degree in business. Vanessa was previously employed by Northtown Grill.

Belmont Joins Western State Bank

Jessica Belmont recently joined Western State Bank, Fargo, as a Customer Service Representative. She will provide outstanding customer service and process customer transactions. Belmont is originally from Omaha, NE, and graduated from the University of Kansas, with a Bachelor’s degree in History. Before joining Western, Belmont worked at the U.S. Bank Service Center. She now resides in West Fargo with her husband, Cliff.

Nilson Joins Western State Bank

Kathleen Nilson recently joined Western State Bank, West Fargo, as a Business Banking Assistant. Her main duties include preparation of loan documents, perfection of collateral, file maintenance and customer service. Nilson holds a Bachelor of Science Degree in Mass Communications from NDSU. Prior to joining Western, Nilson was with the National Bank of Commerce in Duluth, MN. She also worked at Signature Bank in Minnetonka, MN, as a Business Banking Assistant. Originally from Cavalier, Nilson now resides in Fargo with her husband Ross, and daughter Claire.

Timian Joins Choice Financial in Langdon

Mickey Timian recently accepted a customer service representative position with Choice Financial in Langdon. Timian attended Northwest Technical College in Wadena, MN, and has previous work experience at maple Manor Care Center. Timian currently resides in Langdon with her husband, David.

First Western Bank & Trust Announces Promotions

The Board of Directors of First Western Bank & Trust was pleased to announce the promotions of the following individuals during their board meeting:

JoAnn Holtz, a Minot native and Minot State University graduate, has been promoted to Senior Vice President. She has been at First Western for 12 years. Before joining the bank she was employed by the ND Dept. of Financial Institutions. JoAnn is married to Tom Holtz and they have 2 sons.

Kevin Bohl, also an MSU graduate, has been promoted to Vice President. Kevin is originally from Towner and was a teacher/coach at St. John and Rugby prior to starting his banking career with First Western in 1997. His is married to Diane and they have 3 children.

Two Employees Retire from ASB&T

Sharon Paschke, Assistant Vice President and Consumer Loan Manager, recently retired after more than 27 years with American State Bank & Trust Company. Joining the staff in 1982, Paschke has worked in collections, and as a loan officer prior to her tenure as consumer loan manager. She has been a member of the Williston Toastmasters and was active in the Financial Women organization. Paschke and her husband, Bill, have two children, Rod, and his wife Julie, and Karla. They also have two grandchildren, Hunter and Hannah.

Loni Martin also retired recently, after more than 37 years with ASB&T. Since joining the staff in 1972, she worked as a teller and in the proof department. She was married to Gerald Martin, who recently passed away, and has two daughters, Renae and her husband Les, and Patty and her husband Jody. She also has four grandchildren.

Rolewitz Joins Choice Financial in West Fargo

Vanessa Rolewitz as customer service representative in West Fargo. Rolewitz attends NDSU and is in the process of completing a bachelor’s degree in business. Vanessa was previously employed by Northtown Grill.

Rolewitz Joins Choice Financial in West Fargo

Vanessa Rolewitz as customer service representative in West Fargo. Rolewitz attends NDSU and is in the process of completing a bachelor’s degree in business. Vanessa was previously employed by Northtown Grill.

Rolewitz Joins Choice Financial in West Fargo

Vanessa Rolewitz as customer service representative in West Fargo. Rolewitz attends NDSU and is in the process of completing a bachelor’s degree in business. Vanessa was previously employed by Northtown Grill.
Fred Kuhn has been promoted to Vice President/Manager of Advance Acceptance Leasing, Eden Prairie, MN, which is a division of First Western Bank & Trust. Fred has been employed as Sales Manager at Advance Acceptance Leasing since August, 2008. He has 18 years experience in the sales/leasing industry. He is a graduate of the University of Wisconsin in Madison.

Tschumperlin Joins State Bank & Trust

Gary Tschumperlin has joined State Bank & Trust as a credit officer for correspondent banking, with responsibility for underwriting participation loans from other banks. A native of Eden Valley, MN, Tschumperlin received a degree in business administration from Valley City State University. He has worked for more than a decade in financial services and spent the past eight years in banking, most recently at Community First Bank and Bank of the West. He currently lives in Barnesville with his wife, Tara, and their two children.

Buchhop Hired by Western State Bank

Zach Buchhop has recently joined Western State Bank as an IT Analyst. He received his Associate in Applied Science in Computer Service/Networking from Northland Community & Technical College in East Grand Forks. Zach, originally from Grand Forks, resides in Devils Lake along with his wife, Karen.

Drew Olafson Joins UVB Staff

United Valley Bank of Cavalier is pleased to announce the addition of Drew Olafson to its staff. Drew has been promoted to a vice president position and will reside in Cavalier with his wife, Samantha. They have recently moved from Argyle, MN, where Drew previously worked at United Valley Bank as a loan officer. He is a graduate of NDSU with a degree in business administration concentrating in finance.

Starion Hires Rennich as Insurance Agent

Starion Financial has hired Martina Rennich as an agent at its Starion Insurance agency in Mandan. Rennich will sell all types of insurance, including home, auto, farm, business, life and health. Rennich, a licensed insurance agent since 2003, previously worked six years at another local agency. She also has 14 years prior experience at a local newspaper in editorial and marketing roles. She received her degree from Bismarck State College.

Wagner Promoted

Starion Financial has promoted Lindsay Wagner of Bismarck to compliance and audit analyst at its Mandan branch, from where she will assist with loan review and staff compliance training for all branches in North Dakota and the Middleton, Wis., location. A Rugby native, Wagner joined Starion as a loan operations specialist in 2008. She received her bachelor’s degrees in business administration and business education from Valley City State University.

Fiske Joins Starion

Starion Financial has hired Traci Fiske of Bismarck as a loan review specialist. She has previous business and financial experience at Heartview Foundation, St. Alexis Medical Center, Waddell & Reed and other employers. A Goodrich native, she studied business administration and accounting at Bismarck State College.

First International Bank & Trust Announce Promotions

Kim Heil has been promoted to operations supervisor at FIB&T. Heil will oversee the daily deposit operations. She will be responsible for assisting customers with the bank’s merchant Capture and Online Cash Management programs. She has been with the bank since 2000.

Kim McLee has been promoted to centralized processing unit supervisor. McLee will oversee the loan processors along with the daily loan operations in the processing unit. She has been with the bank since 2002.

New at American Bank Center

Kari Schneider is a mortgage loan processor in the mortgage department. Schneider has five years experience as a mortgage loan processor and four years experience as a bookkeeper, teller and proof operator.

Tamara Meissel has become a teller at the bank. She has more than two years experience in the banking industry. Meissel graduated from the University of Mary with a bachelor’s degree in business administration.

Amy Taylor is an executive mortgage assistant in the mortgage department. She has a background in customer service and graduated from Minnesota State University—Moorhead with a bachelor’s degree in elementary education.

Sarah Sullivan is a new teller. Sullivan has several years of customer service experience and is working towards a degree in business management.

Lisa Mosser was hired as a mortgage banking officer. Mosser graduated with a bachelor of science degree in management. She has prior banking experience in the mortgage and business areas.

Two with Starion

Starion Financial has hired Lelan Bosch as a writer/public relations specialist and Karissa Hassebrock as a human resource/marketing assistant in Bismarck.

Bosch has five years experience in business communications and advertising. Previously, he was the communications and marketing specialist at Job Service North Dakota. He has a bachelor’s degree in public relations from the University of Minnesota-Twin Cities. Hassebrock worked more than two years as an account representative at Spherion and has almost seven years experience as a membership coordinator. She attended Bismarck State college and NDSCS.

Iverson Promoted

Starion Financial has promoted Tonja Iverson, Bismarck, to lead insurance office administrator for Starion Insurance offices. Iverson joined Starion Insurance as an insurance administrator in 2007. She has been a licensed insurance agent for six years and received a bachelor of arts degree from Moorhead State University.

Hired and Promoted at Security First Bank of North Dakota

Gail Jacobson has joined the bank as the vice president/mortgage division manager. Jacobson has more than 20 years experience in banking and mortgage lending.

Laura Dwyer was hired to be mortgage operations manager, bringing more than six years of mortgage lending and operations experience.

Amber Boehm has been promoted to mortgage loan processor. Boehm has a bachelor of business administration degree from the University of Mary and three years of banking experience.

Zink Promoted at Choice Financial

Wayne Zink was recently promoted to president of Choice Financial in the Grand Forks market. Zink will be responsible for overseeing the deposit and loan business development efforts, community awareness, and customer service activities of the bank. Zink joined the bank in 2008 as senior vice president business banking. He attended NDSU where he received his business administration degree.
There has been a lot of media coverage regarding how to protect cardholder data and who is ultimately responsible for data protection. In reality, everyone is responsible for protecting cardholder data. It has become increasingly important to protect the assets, reputation and, ultimately, your customers from the growing threat of data and identity theft.

The institutions are responding to attacks against your customers on a daily, weekly, and monthly basis. The attacks, known as phishing, vishing, and mishin, are using e-mail, phone calls and PDA text messages. In some cases, cardholders are tricked into providing their card number, personal identification number (PIN), CVV2, and Social Security numbers to fraudsters who then perform fraudulent transactions.

Fraudulent transactions can be initiated in a matter of minutes once the data is captured. By the time cardholders realize what they have done, the fraud has already occurred and the institution has lost money. As customer education improved, the success of those attacks became less effective. Fraudsters started to target merchants, processors, and then the financial institutions with larger data stores.

Can technology prevent fraud? The answer to that question is yes and no. Technology and advancements in technology have significantly improved the industry’s ability to slow fraud and, in many cases, mitigate it. However, technology that will prevent fraud 100 percent of the time is not available. The cost to try to accomplish a 100 percent prevention rate would create an unsustainable financial burden against those who provide the products and services, as well as the community financial institutions using the programs. The goal of securing cardholder data is to make it difficult for the fraudsters to be successful. If they are successful, it is important to be able to identify the threat and to respond in the most effective and cost efficient manner.

Many financial institutions have heard of payment card industry (PCI) compliance. PCI compliance is now an independent organization governed by the five major card associations: American Express®, Discover®, JCB, MasterCard®, and Visa®. This organization is creating standards and requirements for both merchants and processors. Soon financial institutions will be held to these standards. The program adds significant value to the organizations who implement it; however, the mandatory compliance can cause an organization unexpected time commitments and additional resources to maintain the compliance program. PCI compliance is not a one-time expense and requires ongoing support and management of the many changes implemented each year by the PCI council.

If a merchant or processor is not compliant, the card associations reserve the right, via operating rules, to levy monetary fines or eliminate the ability to accept and process transactions. Being PCI compliant does not mean that your systems cannot be compromised; it means that you have implemented a framework to help prevent compromises.

Why is PCI compliance important to independent financial institutions?

PCI compliance is important because it is expected that, in the future, all financial institutions issuing American Express®, Discover®, JCB, MasterCard®, or Visa® cards will be required to provide proof that they comply with PCI, as well as the accompanying expenses and challenges involved in supporting PCI. It is important to understand the feasibility of the different approaches being discussed; this cannot be done by a quick survey or a few discussions. The U.S. payments industry works as well as it does because of the standards in use and the interoperability the industry has reached over time. Much of the interoperability is provided and supported by the regional PIN-based networks and terminal acquirers that provide hundreds of thousands of access points throughout the nation. This access provides multiple brands with equal footing in the payments industry and allows a merchant or issuer to choose the cost of their programs. A financial institution should monitor the pass through and association fees that hit the expense line of its portfolio, not just interchange revenue.

“Our electronic payments are too important to trust to someone who could be our competitor.”

Steve Handke
President & CEO
Union State Bank
Everest, Kansas

Our Difference is You

“Just like in community banking, it’s the ownership that determines the nature of a company. It’s the same way with your EFT network. SHAZAM is member-owned and member-driven. And like my community bank, SHAZAM is fiercely independent. Electronic payments are vital to the future of my bank. That’s why I chose SHAZAM.”

For more information about SHAZAM, visit us at www.shazam.net or call (800) 537-5427.
regulation of the financial industry must distinguish between firms engaged primarily in speculative trading and lenders linked to the real economy of Main Street. The great danger is that regulation of the former might inadvertently strangle the latter.” American Banker, in an article on January 12, 2010, has the headline “Huge Gains for Small Banks in Public Eye and Washington” in which the author Cheyenne Hopkins points out the popularity of community banks and their rise in stature which has benefited the political clout of ICBA.

In addition, thanks to your input, the Senate version of bank regulatory reform bill may include a consumer protection division within the regulators instead of a separate all powerful separate agency according to another article in the American Banker by Stacy Kaper dated January 15, 2010. While it is never wise to assume what the final Senate bill will look like there is no doubt the outcry from community bankers is influencing this outcome. The same can be said of the efforts to weaken the House version of the Regulatory Reform package on this issue and ICBA efforts to bring in constituents through the development and promotion of MyCommunityMyBank.org. If you do not have this website linked to your bank’s, I strongly encourage you to do so. As ICBA Chairman Mike Menzies stated in his recent remarks in the January 12th American Banker articles, “It’s been a good year, because it’s been the first time in my banking career that Congress and the public have been able to truly differentiate between real community banks and megabanks”.

Take heart you are being heard and you are gaining ground!

Continued from page 6...

opposing the CFPA or other new regulatory burdens. We did chose to improve legislation as it progresses through Congress to benefit community banks.

Don’t equate our unprecedented progress with any endorsement or support. We’re not done yet.

R. Michael S. Menzies Sr. is ICBA Chairman and the President and CEO of Easton Bank and Trust Co., in Easton, MD.

ICBND Names Travelers as a Preferred Provider

ICBND is proud to announce that Travelers has become a preferred provider for D&O, Financial Institutions Bond, and Property & Casualty programs.

Travelers has been working with financial institutions since 1890 and has been active with ICBND and community banks in North Dakota for over 25 years. Broad product offerings, superior customer service and overall value earned them a national endorsement from the Independent Community Bankers of America as well.

Travelers has a customer service team of five individuals dedicated to the North Dakota community banking market. For more information on their program, please contact Don Forsberg at 701-258-7121 or donf@icbnd.com.

We take pride in our lending partnerships with more than 100 banks in our region.

> Participation loans
> Bank stock & ownership loans
> Bank building financing
> Business & personal loans for bankers

Call us for flexible underwriting, competitive rates and fast decisions!

MEMBER FDIC
3100 13th Ave. S., Fargo, N.D. | 800.450.8949 | STATEBANKS.COM

Together We Prosper
Justify Your Liquidity
by Martina Dowidchuk, Consultant, Young & Associates, Inc.

As the competition for retail deposits and their costs continues to increase, more banks have sought to improve their liquidity by reducing the size and liquidity of their investment portfolios and by expanding their wholesale funding sources. While the availability of diverse funding sources can reduce liquidity risk and regulators acknowledge the benefits of wholesale funding, bank managers are expected to be prepared for a more rapid funding erosion during times of stress. Regulatory guidelines call for realistic, written contingency funding plans that are supported by quantified stress testing and new liquidity metrics customized to match the banks’ balance sheets. According to the proposed Interagency Guidance on Funding and Liquidity Risk Management, all financial institutions, regardless of size and complexity, should have a formal contingency funding plan (CFP) that clearly sets out the procedures for addressing liquidity shortfalls in emergency situations.

The CFP should:
• Identify stress events. These are unexpected situations or business conditions that may create liquidity pressures. Stress events may occur for a variety of internal or external reasons, such as unexpected changes in credit risk, operational disruptions, rapid deposit erosion, or inability to access contingent funding facilities.
• Identify early warning indicators and their monitoring system. These indicators should signal any negative trends in the bank’s internal and external environment and, in case of a potential vulnerability, should trigger a response by the management mitigating the bank’s exposure to the emerging risk. Early warning indicators may include negative publicity, increased potential for deterioration in the bank’s financial condition, above-average deposit withdrawal rates, or an increasing trend in exercise of off-balance sheet commitments.
• Define stress levels. The various levels of stress severity should trigger different actions and contingency funding strategies.
• Identify alternative funding sources. Liquidity pressures may spread from one funding source to another during a stress event, and not all of the existing funding options may be available in all circumstances. Bank management should maintain ongoing communications with alternative funds providers and regularly test its fundraising options to evaluate their effectiveness at providing liquidity in both the short and long term. Concentration tolerances should be set on the usage of alternative funding sources.
• Define funding strategies. Funding strategies should outline the available backup facilities under different stress scenarios, the circumstances under which the bank might use them, and the anticipated sequence of use.
• Establish a crisis management team. The CFP should identify the individuals who will be responsible for implementing the contingency funding plan. Individual responsibilities and authority should be clearly defined so that all personnel understand their roles during a problem situation.
• Establish an action plan. The CFP should outline the specific actions of the crisis management team that would be triggered if the assessment of the warning signals suggests an increased vulnerability in the

Story continues on page 13...
bank’s liquidity position. The plan should ensure a timely, consistent, and coordinated implementation of the contingency funding plan and an effective communication flow between bank management, bank employees, board of directors, the public, and key constituents.

- Outline the cash flow planning and stress testing process. The CFP should outline the quantitative tools that will be used to measure, monitor, and control the bank’s liquidity position. Typically, these include the liquidity cash flow forecast projecting the bank’s funding needs and funding sources, various time horizons, and the liquidity stress test considering additional funding erosion and other liquidity constraints.

In Summary

A liquidity program, justified by realistic cash flow plans, relevant liquidity metrics, stress testing, and a formal contingency plan, is more likely to withstand regulatory scrutiny and increased liquidity pressures in stressed times.

Don’t Forget - April is Community Banking Month

ICBND would like to see every bank in North Dakota hold some kind of event during the month of April and to encourage participation, we are bringing back the Community Banking Month contest. Last year the Bank of Turtle Lake won and received a great lunch complete with dessert served by the ICBND staff.

More information will be provided to you in the next issue of the Community Banker along with the entry form. Community Banking month should be an important part of your bank’s outreach to your community. Now is the time to tell your story!

From ICB Purchasing Exchange

An old face in a new place...

ICB Purchasing Exchange Welcomes Lacey Kuhn as our new Sales/Marketing Representative. Lacey has previously worked in our Association as the Marketing/Communications Director.

Contact Lacey or Laurie for any of your Purchasing needs toll free:

800-568-4199

Or via email

laceyk@icbnd.com, or lauriiec@icbnd.com

*Also, watch for the 2011 Calendar Information Coming Soon!
Banks Helping to Build Better Communities...

As members of the Williston Community Builders gather at the site of the new playground in Davidson park, American State Bank & Trust Company President/CEO Frank Keogh presents Fundraising Chairman Dick McKennett with a check for $5,000 for the project. “The bank is happy to support this project and applauds the committee and their commitment to enhancing the quality of life in Williston for kids and families.”

Bank Gathering Items for Local Children and Food Bank

What started as a bank promotion has turned into a community-wide food drive for CountryBank USA.

Angie Twete, administrative assistant at CountryBank USA, said the bank hosted a month-long event for members of their CountryKids Savings Club. To encourage the kids to save even more, the bank offered to donate one item to the local food pantry for each deposit made.

Twete said she talked to Stacey Chepulis at Dakota Prairie Community Action Agency and found the food pantry shelves were quite bare and donations were needed more than ever. Chepulis said kids were walking in and looking for food after school. With that in mind, Twete said bank employees decided to start their own “in-house” food drive, focusing on food that children would enjoy. Twete said customers and other community members have also started to donate food for the drive.

American State Bank & Trust Company President/CEO Frank Keogh presents a check for $1,000 to Williston Police Chief Jim Lokken representing the Williston Police Association. The donation to WPA was made in appreciation of the outstanding work local law enforcement agencies do on a daily basis, and in appreciation of their work during the September 14 robbery of the ASB&T North Station. “On behalf of all of us at American State Bank & Trust company, we are so grateful for the diligence and hard work of all the law enforcement agencies involved. We hope this donation will show our appreciation,” Keogh said.

Western State Bank’s Good Neighbor Club (GNC) Director, Cathy Henke, sponsored “Wreaths Across America this past Christmas at the North Dakota Veterans Cemetery in Mandan. In years past, Cathy’s GNC members would donate hats, mittens and other various children’s items for the Dakota Prairie Community Action. The group came to Bismarck in December for the ceremonies and received numerous donations for the wreaths. The members present had the opportunity to place a wreath on a veteran’s grave at the cemetery. Pictured above: Myles places a wreath on his grandpa’s grave, which is also the grave of Cathy’s brother.
CLASSIFIEDS

LOAN OFFICER

North Country Bank in Underwood has an opening for a loan officer. Three to Five years experience is preferred but not required. An Ag background would be beneficial. The duties of this position include developing, maintaining and servicing loan accounts as well as other duties. North Country Bank offers a competitive salary and benefit package.

Please send resume and cover letter to North Country Bank, Attn: Bob Larson, PO Box 40, Underwood, ND 58576-0040

Member FDIC

BRAIN BANKING OFFICER

American Bank Center, an employee owned, $500+ million financial institution, is seeking candidates for a Business Banking Officer at our Bismarck location. This position is responsible for developing and maintaining relationships with business accounts. Our Business Banking Officers solicit and originate quality loans, deposits, and special products and services with customers. Requires a bachelor’s degree in management, finance, business administration or a related field. Minimum of five years related experience preferred, or an acceptable combination of education and experience. American Bank Center offers a competitive compensation and benefit package.

Send resume and cover letter to American Bank Center, Attn: Human Resources, PO Box 2197, Bismarck ND 58502

Member FDIC

Meeting the Challenge - Community Bankers for Compliance Program

As all community bankers know, there are many compliance regulations, and they are changing all the time. The challenge for your bank is to make sure that those responsible for regulatory compliance have the right information at the right time, and that this information is pulled together and managed effectively. The Community Bankers for Compliance Program will help your bank do just that.

ICBND is pleased to sponsor the Community Bankers for Compliance Program (CBC) again this year. This program is the most successful and longest running compliance training program in the country and provides up-to-date information on compliance issues and developments in bank regulations, as well as proven techniques for maintaining your in-bank compliance program. In addition, it provides a forum where those responsible for regulatory compliance can discuss issues and exchange ideas with other community bankers.

Sign up today for your annual membership! Information on this outstanding compliance program is enclosed with this newsletter.

Correction from Nov/Dec 2009 Issue:
Troy Evans website address was incorrectly listed after his article. The correct email address is www.troyevans.com. We sincerely apologize.

For further information please visit www.troyevans.com/dvd
Our Guarantee: If this product isn't informative, valuable or applicable to increase your employees awareness to the latest in Robbery Prevention, Apprehension and Recovery…simply return it within 30 days for a full refund.

3104 E. Camelback Rd #436 • Phoenix, AZ 85016 • 502.265.6855 • troy@troyevans.com

Together We Prosper
COMING EVENTS:

TELEPHONE/WEBCAST SEMINARS:


Feb 4: Head Teller Development: Managing the Underperformer

Feb 9: Stress Testing Your Loan Portfolio

Feb 11: What is that Personal Tax Return Telling Me? Form 1040, Schedules B, C, & D

Feb 11: Community Bankers for Compliance Regulatory Update Webcast

Feb 12: Regulation E Alert: Rule Changes to EFT for OD Protection Effective July 1, 2010

Feb 17: Conducting In-House Appraisal Reviews that Meet Examiner Scrutiny

Feb 18: Acquiring, Holding & Disposing of Other Real Estate

Feb 23: Certificates of Deposit: Compliance, Signature Cards, and Disclosures

Feb 25: Implementing FACT Act Accuracy and Integrity Rules: Deadline July 1, 2010

Mar 2: Social Media for Bankers

Mar 4: When Do We Have a Legal Loan Application Under the Revised Reg Z and RESPA Rules

Mar 5: Countdown to Reg GG Compliance: Revised Deadline June 1, 2010

Mar 9: Managing and Monitoring High-Risk Customers

Mar 11: Financial Privacy & GLBA Update: Including the New Model Privacy Notice Form

Mar 16: Developing a Liquidity Contingency Plan

Mar 18: Writing Policies for Loan Workouts and Collections


Mar 30: Director Series: Strategic Planning in Today’s Banking Reality

LIVE SEMINARS:


BW Seven Seas, Mandan - 8:30 am—4:00 pm

Thank you to our advertisers…

Eide Bailly...............................................................pg 3
Bison Mountain Financial....................................pg 5
North Dakota Housing Finance Agency.................pg 6
3D Security Inc.......................................................pg 7
SHAZAM.............................................................pg 10
State Bank & Trust................................................pg 11
Bank of North Dakota..........................................pg 12
ICB Purchasing Exchange.................................pg 13

The Community Banker can be an effective advertising vehicle for companies marketing to the financial industry. If your company would like more information on how to place an ad in the Community Banker, please contact Deanna Stoeser at the ICBND office at 701-258-7121 or toll free 1-800-862-0672.

Bits and Pieces

A positive attitude won’t solve all your problems…
But it will tick off enough people to make it worth the effort!