

South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | January 2016

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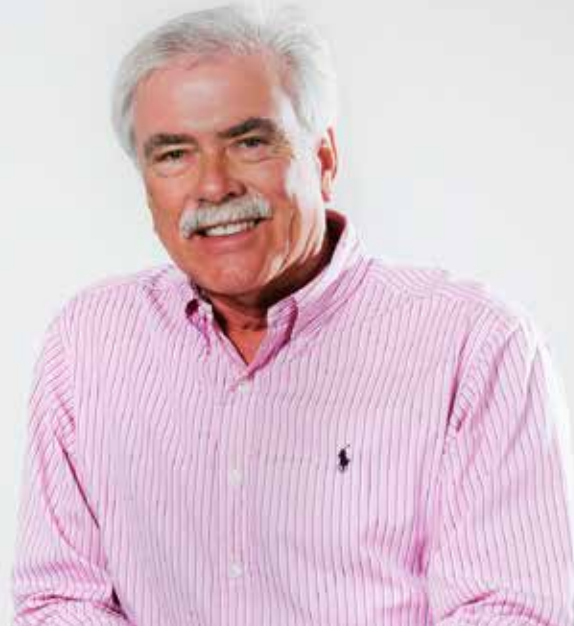
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SOUTH DAKOTA

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

“It’s great to be able to bring a program to the table that offers low interest and can be used for working capital.”

-GOED MicroLOAN Officer
Charlie Van Gerpen



ASK A LOAN OFFICER

Q: What is a MicroLOAN?

A: The MicroLOAN is a loan program for small businesses that are in need of working capital, equipment, real estate or other fixed-asset project costs. Loan amounts range from \$1,000 – \$100,000.

Q: What kinds of lending institutions can partner with the GOED on the MicroLOAN?

A: Partnering organizations can be banks, credit unions, or local regional revolving loan funds.

Q: What kind of companies are good candidates for the MicroLOAN?

A: Whether a company is just starting or whether it is already prospering, the MicroLOAN program is designed to provide those additional funds needed for a company to continue its growth.

Q: What is the interest rate?

A: Currently, the interest rate for the MicroLOAN is set at 3 percent, which is very competitive in today’s market.

Q: How are partnerships with other lenders structured?

A: Typically with a MicroLOAN, an outside lender must provide half of the project financing and the balance will come from the MicroLOAN and an equity injection, if it is required by the lender. If the primary lender is a bank or credit union, the MicroLOAN takes a second collateral position. When the primary lender is not a bank or credit union, the MicroLOAN takes a shared first collateral position.

Q: My customer needs a loan quickly. Are there any options?

A: Yes, the MicroLOAN Express loan program may be for you. Please call the GOED for more details.

For more information, please contact Charlie Van Gerpen at 605-773-3301, charlie.vangerpen@state.sd.us or visit www.sdreadytowork.com/finance

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January 2016 | www.sdba.com

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message from the chairman

BY RICK RYLANCE | Regional President | Dacotah Bank, Rapid City

SDBA To Position for Changes Ahead



The SDBA Board of Directors and Legislative Committee met in Pierre on Dec. 10, 2015. Both meetings were very productive, and I want to commend the Legislative Committee on the work they did.

It was probably the most interactive Legislative Committee meeting I have sat through with the SDBA. There are many rumblings through the halls in Pierre this time of year. SDBA President Curt Everson and Legal Counsel Brett Koenecke asked for the opinion of committee members as to the direction they should go on several issues.

There was much discussion by the committee members, and Curt and Brett received good direction. I believe this is the right way to use the Legislative Committee to get more opinions for the Board of Directors and staff to follow in the coming months. Great job by everybody and keep up the good work.

Look for correspondence from Curt in the coming months. The Board is going to do a strategic planning

session in 2016 and will be looking for insight from its members as we go forward. As we know, change is constant, and the SDBA needs to position itself for that change by being proactive.

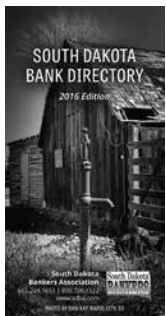
Roger Porch, vice president of First National Bank in Philip and a member of the SDBA Legislative Committee, gave a report on his testimony before the U.S. Senate Banking Committee hearing entitled "The State of Rural Banking: Challenges and Consequence." I happened to watch the testimony live and want to thank Roger for taking the time to represent the banking industry. He did an excellent job in the little time they gave him to "tell our story."

As I write this column, we are getting ready for Christmas. As you read this, Christmas will be over. I hope everybody had a very good Christmas and New Years, and 2016 will be the best ever. ■

Rick Rylance is regional president for Dacotah Bank in Rapid City. Rylance can be reached at 605.394-9000 or rick.rylance@dacotahbank.com.

SDBA PUBLICATIONS HOT OFF THE PRESS

2016 SD Bank Directory



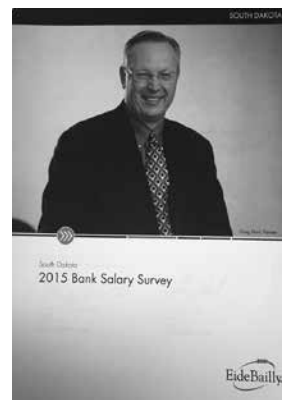
The SDBA's 2016 South Dakota Bank Directory is now available.

The South Dakota Bank Directory provides detailed information on all South Dakota banks, including addresses, telephone and fax numbers, important contact names and additional pertinent information. The directory also contains information on the SDBA, banking associations, regulatory agencies, endorsed vendors, associate members and South Dakota officials.

All SDBA member banks and branches receive one complimentary directory. Associate members will receive a complimentary directory when they pay their 2016 membership dues.

Additional copies are available for purchase. The member cost is \$30 plus tax for a single copy, or \$25 each plus tax for multiple copies. The non-member cost is \$45 plus tax for a single copy, or \$40 each plus tax for multiple copies. Orders can be placed online at www.sdba.com/bank-directory or contact the SDBA at 800.726.7322. ■

2015 SD Bank Salary & Fringe Benefit Survey



Each year, Eide Bailly LLP conducts a survey of South Dakota banks to obtain valuable information on compensation and fringe benefit programs in banking.

The 2015 South Dakota Bank Salary & Fringe Benefit Survey is an 82-page summation which contains information from 16 participating banks on 52 common positions in a community bank. The summation will provide you with reliable information to compare your bank's compensation and fringe benefit programs with other comparable banks.

The cost is \$300 for members, \$400 for associate members and \$500 for non-members. To order a copy, visit www.sdba.com/salary-survey or contact the SDBA at 800.726.7322. ■

It's Time to Build Our Political Muscularity



Happy 2016 South Dakota bankers! What are you resolving to do differently this year? Given how Congress ended 2015, maybe that's a question for bankers to ask certain members of the United States Congress. Why?

During the first half of December, in order to avoid a politically embarrassing shutdown, Congress scrambled to pass an omnibus spending measure. Both the House and Senate ultimately passed the omnibus bill, but not without first passing two separate continuing resolutions needed to keep the federal government operating until the leaders of both parties could come to an agreement. That 11th-hour scramble focused not only on key elements of a \$1.1 trillion spending measure and more than \$600 billion in tax cut extenders, but also about various policy riders seeking to be tagged onto the fiscal measures.

As it turns out, America's hometown banks were only one in a long list of interest groups pushing to attach policy riders. The purpose of our riders was to provide varying kinds of sorely needed regulatory relief. In fact, our common sense regulatory relief proposals had been debated by members of the Senate Banking Committee back in May as part of Chairman Richard Shelby's Financial Regulatory Improvements Act.

Our priorities were designed to better enable hometown banks and bankers to meet the credit needs of their customers, both personal and business. So here we were six months later, still hoping to complete a regulatory relief Hail Mary pass. But at the end of the day, as an industry, we got stiff-armed by the leaders of both parties in Congress, especially in the Senate. Why?

Reason #1: Congress is all about politics all of the time. Our industry got caught in a political vortex where staunch defenders of Dodd-Frank shriek that a vote for commonsense regulatory relief for banks is a vote to repeal Wall Street reform. Baloney!

Reason #2: Hometown banks got lumped together with longstanding political hot potatoes. A high ranking member of the Democrat caucus in the Senate disclosed that our regulatory relief issues ended up being tied to political hot button issues including reproductive rights and the environment. Banking industry critics mixed us in with political poison pills, and our industry's supporters allowed that connection to stand.

Reason #3: United States Senate—Dysfunction is thy name. There was a time when the United States Senate was referred to as the greatest deliberative body in

the world. Not anymore.

In the House of Representatives, almost every regulatory relief concept embodied in Senator Shelby's bill received up or down votes as individual bills. Almost all of those proposals passed the full House or the House Financial Services Committee with wide bi-partisan support. Not so in the Senate.

No opportunity was provided for up or down votes on regulatory relief on the floor of the Senate. As a result, we as an industry ended up standing in line outside the office doors of Senate leaders of both parties waiting and hoping that our issues might get a ticket to ride on the must-pass "taxibus" bill. Last I checked there are still 365 days in the year. Why is it that no matter which party is in charge, there is never time on the Senate calendar to debate individual bills?

To this simple South Dakotan, the unfortunate political plight of this nation's hometown banks can be attributed to a lack of real bipartisan leadership in Congress, especially the U.S. Senate. It was congressional leaders who decided it was good public policy to use the banking industry as a funding source for a multi-year federal highway bill. It was congressional leaders who allowed commonsense regulatory relief provisions to be tied together with reproductive rights. It was congressional leaders who made decisions about the final provisions of must-pass legislation behind closed doors. Do any of those decisions sound like hallmarks of real leadership?

So what can we do about all of this? In a recent note to bank CEOs, the new head of the American Bankers Association (ABA), Rob Nichols, had this to say:

"It's time to build our political muscularity. We need to step back and rethink our industry's political engagement strategy and architecture. We need to assess the effectiveness of our tools, add resources where needed and engage far more bank employees in our grassroots efforts. And we need to be much more deliberate in deciding which lawmakers to support with our dollars and manpower."

I started this column asking about bankers' resolutions for the new year. In the coming months, you can expect me to be writing, talking and doing what I can to lead efforts to build banking industry "muscularity" in South Dakota. I respectfully ask each of you to be thinking about what you can do to help change the politics and the attitude of the U.S. Congress toward our industry. The best interests of you, your bank, your community and your customers are at stake. ■

Curt Everson is president of the South Dakota Bankers Association. Everson can be reached at 605.224.1653 or ceverson@sdba.com.

Bones & Ligaments: Largest Claim in SDBA Health Plan



On a continuous basis, we monitor utilization of health benefits based on conditions that bring our members to their doctors. Year after year, we see the bones and ligaments category surge to one of our top health conditions that need all of your attention. It is not only SDBA that

is seeing this surge, all of Blue Cross Blue Shield's member base is experiencing the same experience.

The following article is a reprint from BCBS in its quarterly publication (Blue Magazine Fall 2015) that deserves a closer read.

Our bones have a big job. They protect organs and anchor our muscles. They support our bodies, produce blood cells and store important minerals like phosphorus and calcium.

As we age, our bones naturally break down and lose density. Some people then face osteoporosis, a disease that makes bones sponge-like, brittle and more likely to break. The hip, wrist and spine are especially prone to fractures, and those cracks can lead to long-lasting health issues. The National Osteoporosis Foundation reports about 54 million Americans have low bone density or osteoporosis, and one in four men over age 50 will break a bone as a result. Among women over age 50, one in every two can expect an osteoporosis-related break.

Here's the Good News: You can reduce your chances of developing osteoporosis by managing risk factors and making healthy lifestyle choices.

Why Bones Break Down

Our bones are alive. Each day, old bone breaks down naturally, and new bone rebuilds and replaces it. When we're young, our bodies build more bone than is lost. Most people reach peak bone mass in their 20s.

As we age, bones start breaking down more quickly than they grow. Certain populations experience faster bone loss than others, and that puts them at higher risk for osteoporosis.

Women, for example, have smaller bones and less bone tissue than men. Older women lose bone density more quickly because of post-menopausal hormone changes. Caucasian and Asian women face higher-than-average osteoporosis risk, though the condition strikes individuals from other ethnic backgrounds, as well. A family history of weak bones and breaks also increases your chance of related issues.

Strengthening Your Bones

Like muscles, bones weaken without exercise. Physical activity builds bone strength while improving your heart health and overall fitness levels. Exercise also boosts balance, coordination and muscle strength, making you less likely to fall and crack a weak bone.

Establishing and maintaining an exercise routine when you are young sets you up for the best results, but you'll benefit from physical activity no matter when you start. If you haven't exercised in a while, check with your doctor before beginning a regular program. Then, aim for at least 30 minutes of physical activity each day.

You'll make the biggest impact with a variety of exercises.

- **Weight-bearing exercises** are best for building and maintaining bone strength. Activities that keep you working against gravity fall into this category — that means things like walking, jogging, climbing stairs and jumping rope. Low-impact weight-bearing exercises, such as the elliptical machine, treadmill or low-impact aerobics classes, are a good place to start if you've had an injury or are at risk of breaking a bone. For more lasting benefits, try high-impact weight-bearing exercises such as hiking, dancing, running and playing tennis or soccer.
- **Muscle-building exercises and resistance training** strengthens both bones and muscles. Lifting weights, using exercise bands and doing push ups are examples of muscle-building activities. Pilates and yoga are also helpful, but twisting and flexing might not be ideal for individuals with brittle bones.
- **Exercises that improve balance, posture and daily functionality** also influences your structural health. Functional activities involve everyday movements — slowly climbing stairs or alternately sitting down and getting up from a chair, for example, can improve your range of motion. Practicing good posture eases pressure on your spine, and low-impact tai chi develops balance.

The Calcium Connection

What you eat impacts bone strength. While calcium is important, pairing it with vitamin D makes a more powerful combination. Vitamin D, found in egg yolks, fortified milk and oily fish, helps your body absorb calcium more efficiently. Good sources of calcium include low-fat dairy products, almonds, beans and leafy green vegetables like broccoli, kale and Brussels sprouts. ■



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Additional Information

A comprehensive program overview, curriculum description, and online registration form are available on the GSB web site at www.gsb.org or the FMS web site at www.fmsinc.org/school



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"The courses were interactive and the students had the opportunity to not only learn from the instructors but also from each other."

Rhonda Samplawski
Raymond Federal Bank,
Raymond, WA

"It's rare that you find such an intense—and detailed—training so focused on the financial management of a bank. The Financial Manager's School was the most worthwhile training experience I've encountered. Not only were the instructors very knowledgeable and eager to answer any question I had, but the opportunity to learn side-by-side with banking executives makes it truly one of a kind."

Chad M. Bianchi
Senior Financial Analyst,
Corporate Treasury, Investments, Associated Bank,
Green Bay, WI

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Space is limited so we encourage you to register early!

NDBA/SDBA Bank Management Conference To Be Held in Arizona



The 2016 NDBA/SDBA Bank Management Conference will be held Feb. 12-13 at the Westin Kierland Resort & Spa in Scottsdale, Ariz. Bank presidents, CEOs, senior management and directors of South Dakota and North Dakota banks are encouraged to attend.

With regulatory changes bombarding the industry,

bankers have learned to value strategic information and networking with colleagues more than ever. The Bank Management Conference has always been an important business meeting. With all the issues banks are facing, it is crucial that they continue to come together as bankers to share ideas and strategies.

This year's conference has been carefully designed to provide timely insight on the economic landscape, balance sheet management, cybersecurity risks, succession planning, performance measures for community banks and regulatory issues. Presentations include:

- "Looking Back and Thinking Ahead: Managing Through the Turn in Rates"
- "Case Studies in Balance Sheet Management Best Practices"
- "Why Banks are Busy but Not Effective: Improving Performance by Driving Operational Excellence"
- "Succession Planning—Developing the Next Generation of Community Banking Leaders"
- "10 Cybersecurity Questions for Executives and Directors"
- "The Banking Industry: A Safety & Soundness Perspective"
- Motivational Keynote: "Replenishing the OhZone"

For more information and to register, visit www.sdba.com. Questions, contact Dorothy Lick, NDBA, at 701.223-5303 or dorothy@ndba.com. ■

SDBA To Hold Legal Issues New Account Documentation in April

The facts are in. Many financial institutions are increasingly taking more losses in the new account area than in the loan area. The reason—not recognizing fraudulent accounts. Too often new account personnel receive 20 minutes of training before opening their first account. Most of the expertise is gained "on the job," which results in an environment of insecurity and vulnerability for new account representatives and unnecessary losses for the financial institution.

The SDBA will hold Legal Issues New Account Documentation—a one-day seminar on April 7, 2016, at the Clubhouse Hotel & Suites in Sioux Falls. This full-day annual review teaches new account personnel proper account opening procedures and compliance requirements, the five crucial pieces of information including proper identification and the correct TIN for every new account, and the four fundamental questions that should be asked of every potential account holder:

1. Who owns the funds in the account?
2. Who has access to the funds in the account?
3. What is the purpose of the account?
4. If a business account, what type of legal entity is this?

The seminar manual, which is customized to South Dakota law, has become known as the "technical reference handbook" for new account departments.

All customer contact personnel, supervisors and officers whose responsibilities include opening or managing new accounts and certificates of deposit should attend this seminar. It is also excellent for supervisors or officers who have recently assumed the responsibility of the new account area but have never actually worked in new accounts. Internal auditors and compliance officers will find the information exceptionally beneficial as well.

Bring a copy of your bank's signature cards and account agreement. For more information and to register, visit www.sdba.com. Or contact Deb Gates, SDBA, at debates@sdba.com or 800.726-7322. ■

ABA Makes Changes to Principles of Banking

The American Bankers Association (ABA) has been developing a new and improved modular version of its Principles of Banking (POB) that will be more flexible, mobile and engaging for learners in the 21st century.

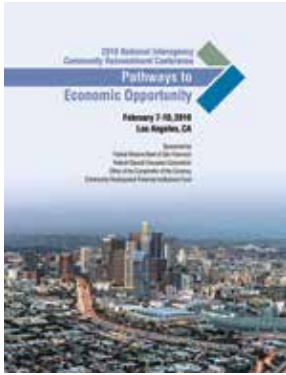
This modular POB course will consist of three distinct modules that will last approximately four weeks each and include a virtual classroom for expert instruction, peer support and collaboration.

The traditional 16-week POB course will remain as is for now. Be watching for more details on the new modular POB course at www.sdba.com/online.

The ABA is eliminating the Principles of Banking accelerated version. In anticipation of modular POB, the 10-week accelerated POB course will be retired, and Feb. 8, 2016, will be the last POB accelerated session.

The new Succession Planning for Banks module has gotten off to a great start and has earned the distinction of hot seller. This module gives banks practical steps and resources for developing and implementing a customized bank succession plan. Learn more at www.aba.com/Press/Pages/110915SuccessionPlanningGuide.aspx. ■

National Conference Focuses on Community Reinvestment



Economic opportunity does not happen in a vacuum — it takes a coordinated approach to housing, education, public safety, healthcare, transportation and jobs. At the 2016 National Interagency Community Reinvestment Conference, find out how these pathways to opportunity can create vibrant neighborhoods for all Americans.

Join a diverse group of public, nonprofit and private sector leaders at the premier conference for community development on Feb. 7-10, 2016, in Los Angeles. The conference is sponsored by the Federal Reserve Bank of San Francisco, Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency and the Community Development Financial Institutions Fund.

Highlights will include:

- Community Reinvestment Act examination training with regulator insights.
- Emerging ideas and best practices in community development.

- Tours of Los Angeles that explore the opportunities and challenges of a fast-changing and revitalizing city.
- Opportunities to discuss the transformation of Los Angeles' downtown into a major career and entertainment destination.

Confirmed keynotes include:

- Risa Lavizzo-Mourey, president and CEO, Robert Wood Johnson Foundation
- Thomas J. Curry, Comptroller of the Currency
- Annie Donovan, director, U.S. Department of the Treasury CDFI Fund
- Martin J. Gruenberg, chairman, Federal Deposit Insurance Corporation
- John C. Williams, president and CEO, Federal Reserve Bank of San Francisco

Don't miss this opportunity to talk to your regulators, meet with your peers, and learn how CRA loans, investments and services can have a positive and lasting impact in low- and moderate-income communities. Learn more at www.frbsf.org/community-development. The deadline to register is Jan. 15. ■

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A Historical Look at South Dakota Banking

By Alisa DeMers, Editor

A new photo display at the Cultural Heritage Center featuring 11 history images of bank scenes across South Dakota is just a small sampling of the images, documents and banking-related items housed by the South Dakota State Historical Society in Pierre.

"Banking in South Dakota" is the current photo display in the Education Room of the Cultural Heritage Center in Pierre. It features photos of banks found online in South Dakota Digital Archives.

"Banks and banking have always played a major role in South Dakota's history," said State Archivist Chelle Somsen. "The display images include both internal and external views of banks, as well as showing the significance of banks in their communities."

"Banking in South Dakota"

South Dakota Digital Archives was launched in 2007 when South Dakota State Archives received a grant to put photos online for researchers to access, said Jennifer Littlefield, a digital technician with SD State Archives.

Staff worked on gathering images for five years, with the first images available online in 2012, said Matthew Reitzel, a manuscript archivist with SD State Archives. The first images available online were of the Black Hills.

South Dakota Digital Archives currently contains around 56,000 images, of which more than 700 are of banks. Littlefield said she was surprised by how few photos SD State Archives has of the interior of banks.

"The banking photo display started with a photo from Lamro moving the bank. That image came up, and a lot of us really liked that image," Littlefield explained. "That got the ball rolling to see what else we had in our collection that was bank related."

Staff selected 20 photos of banks and voted on their favorites. Captions of the 11 photos in the display are:

- The First National Bank's temporary office in Buffalo Gap.
- Employees at work in the First National Bank of South Dakota located in Vermillion.
- A bank located in Wessington Springs.
- The bank of Dallas sits on the corner of North Mail and Third Street.
- Employees working at the teller windows of the Hand County State Bank in Miller.
- Hyde County Land Company and the Bank of Highmore.
- Group of people standing outside the Fort Pierre Stock Growers Bank.

- Employees working at the Citizen State Bank of Presho.
- The First State Bank in Ashton.
- A group of people gather outside the bank in Philip.
- Several men are moving the bank from Lamro to Winner with tractors.

South Dakota Digital Archives

South Dakota Digital Archives is funded by grants, such as the Deadwood Historic Preservation Commission, and private donations. In addition to Reitzel and Littlefield, Cherri Reed also works on the project, and Kate Vandel frames the display photos. Littlefield and Reed search through the archive collections and decide which photos to put into the digital archives. They look for unique images which would be of interest to researchers, organizations and the general public.

Reed scans and saves the images, and Littlefield describes each image. The descriptions go into an Access database, which is then copied into a second program called CONTENTdm. From there, staff expand on the descriptions and add searchable keywords.

South Dakota State Archives is currently working on a collection of historic barns and churches, which contains around 1,000 images, Littlefield said.

"The digital archives is used by a lot of genealogists looking for family history type pictures," she explained. "We have a lot of houses and buildings in the digital archives, and people like to look for those photos."

"The collection previous to this one was the R.C. Lathrop Collection, which was all railroad images," Reitzel added. "That was a real big hit. There are a lot of genealogy buffs, railroad history buffs, and a lot of both."

Images from SD Digital Archives have been used by businesses such as restaurants and banks and the Bramble Park Zoo in Watertown. Reitzel said the online system is searchable, so those looking for images can type in a bank or town name or any topic in which they are interested.

South Dakota Digital Archives contains only a small percentage of the images in South Dakota State Archives' collections. Reitzel said there is no time frame on the age of an image as long as it pertains to local or state history.

"If it is South Dakota history, it is something that we would be interested in and something we would want to store in our collection," Reitzel explained "One misconception that people have is that we only take old stuff, like if it is before Word War II. We have an interest too in recent history, because someday it will be historical."

Continued on page 19



Matthew Reitzel, manuscript archivist, and Jennifer Littlefield, digital technical, both with South Dakota State Archives, stand next to the "Banking in South Dakota" photo display at the Cultural Heritage Center, Pierre. The photos are part of SD Digital Archives.



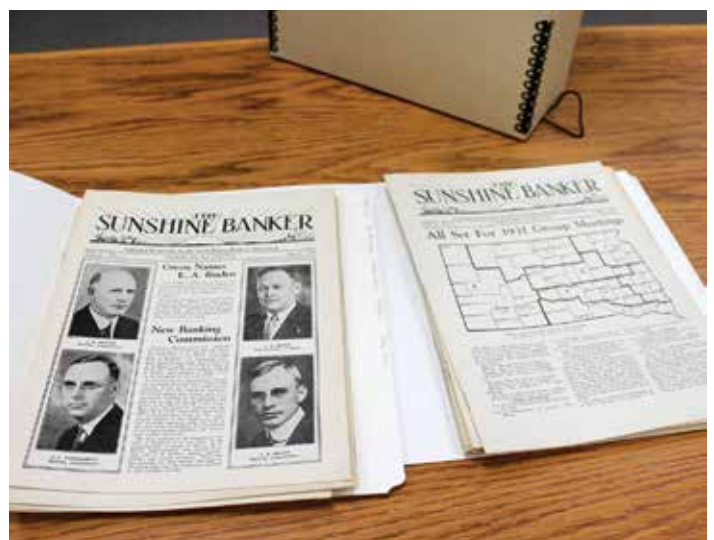
This photo of a bank in Dallas, S.D., is part of the "Banking in South Dakota" photo display and SD Digital Archives.



Part of the photo display, this image is of employees at work in First National Bank of South Dakota in Vermillion.



Top: A check from The First National Bank of Pierre.
Bottom: A check from a banker in Yankton dated 1870s.



Copies of "The Sunshine Banker" published by the South Dakota Bankers Association in March and May of 1931.



On right, SDBA Chairman Rick Rylance, Dacotah Bank, Rapid City, speaks during the SDBA Board meeting while SDBA President Curt Everson listens.



From left, SDBA Vice Chairman Dave Rozenboom, First PREMIER Bank, Sioux Falls, and Board of Directors Jeff Davis, Bryant State Bank, Bryant, and David Bangasser, Dacotah Bank, Sioux Falls.

SDBA Decides Positions for 2016 Session

The SDBA's Board of Directors and Legislative Committee met on Dec. 10, 2015, in Pierre to discuss potential legislation for the 2016 State Legislature.

One bill which the SDBA will be monitoring is draft legislation from the South Dakota Elder Abuse Task Force regarding financial exploitation reporting.

Voluntary Reporting of Elder Abuse

The proposed legislation would allow any person who knows or has reason to suspect that an elder or adult with a disability has been abused, neglected or exploited may report that information, regardless of whether that person is a mandatory reporter.

The consensus position of Task Force members was to legally allow bankers to report instances where they suspected an elderly or disabled adult customer was a victim of financial exploitation. The enabling legislation would provide immunity from liability for reporters both at the initial reporting stage and throughout any subsequent investigatory and prosecutorial stages. Lastly, the enabling bill would eliminate banker concerns that filing a report about suspected financial exploitation would violate federal privacy laws.

The permissive reporting process contemplated in the Task Force's draft legislation would be built around the existing federal SAR process banks already use to report suspected cases of financial exploitation to FinCEN, essentially enabling banks to provide copies of SARs to state and local law enforcement officials.

"We wanted to be able to have a vehicle that we could report suspected abuse that we really don't have today," SDBA Chairman Rick Rylance, Dacotah Bank, Rapid City,

who served on the Elder Abuse Task Force told members of the SDBA Legislative Committee. "We also felt that we didn't have a hold-harmless clause that backs us up, and we didn't have anyone to report it to."

"The other thing that came from the Task Force is that there is going to be a drive for education," said Kristina Schaefer, First Bank & Trust, Sioux Falls, who also served on the Task Force. "I expect that they will want bankers to step up and help with the education of the public and elderly in South Dakota."

The SDBA Legislative Committee voted in favor of the SDBA supporting the bill during the upcoming session.

Initiated Measures—Interest Rate Caps

SDBA President Curt Everson told members of the SDBA Legislative Committee that there will be two items on the 2016 ballot which aim to limit the rate of interest charged for certain forms of financial contracts. One is an initiated measure calling for a 36 percent cap on loans made by money lenders. The second is a constitutional limit of 18 percent on any loan with some exceptions.

Under the proposed constitutional amendment, there is no limit on the amount of interest a lender may charge for a loan on money if the interest rate is agreed to in writing by the borrower. If there is no written agreement, however, a lender may not charge more than 18 percent interest per year.

Everson said the SDBA's past position has been to oppose any attempt to cap interest rates.

"I think we can also make a case of creep," said SDBA Legislative Committee Member Don Nolan, Farmers State Bank, Marion. "Once you start down this path, where is the next step? I think if we stop it here and take a position on it here, we essentially hunker down on where we have



From left, SDBA Legislative Committee Member Roger Porch, First National Bank in Philip, Philip, speaks while Kevin Tetzlaff, First Bank & Trust, Brookings, and Dave Rozenboom, First PREMIER Bank, Sioux Falls, listen.



From left, SDBA Legislative Committee Members Cindi Walsh, U.S. Bank, Aberdeen; Pat Burchill, U.S. Bank, Rapid City; and Tom Weaver, First Interstate Bank, Rapid City.

Issues Include Elder Abuse, Interest Rate Caps, Franchise Tax

stood in the past.”

The SDBA Legislative Committee voted to oppose both the initiated measure and constitutional amendment regarding caps on interest rates.

State Bank Franchise Tax

Another issue likely to be a topic of discussion is the state bank franchise tax. In July 2015, the South Dakota Supreme Court rendered a final ruling in a Citibank tax case where the IRS’ final determination of the bank’s taxable income fell well outside of South Dakota’s three-year statute of limitations governing taxpayer requests for refunds.

Since that time, banking industry officials had been discussing legislation to decouple the state bank franchise tax from the general three-year statute that applies equally to the income-based franchise tax and to transaction-based taxes like the sales and contractor’s excise taxes. Bank tax experts had been working to develop a stand-alone statute of limitations that would establish procedures for timely reporting of federal tax changes that impact the calculation and remittance of the income tax paid by South Dakota’s banks and other financial entities.

Just prior to the SDBA’s December meetings, Everson received word that the SD Department of Revenue had drafted two new bills relating to the bank franchise tax. The proposed measures establish new procedures for how a bank reports an increase or decrease to its federal taxable income which serves as the starting point for calculating South Dakota’s franchise tax.

“We haven’t had much time to look at them (the two new bills) ourselves,” Everson said. “Our first read of this is generally positive, but there is going to need to be some work done.”

“The general direction we would like to get is does this committee support legislation that alleviates the ‘catch-22’ and creates a fair application of the statute of limitations to claims for refunds of taxes paid as opposed to the current structure where it works to the advantage of the government and the disadvantage of the taxpayer,” Everson said.

“What we are looking for is latitude to work with the administration to see if we can come up with a bill that we can both agree to, or we are going to have to run competing bills and see who has the votes. Because I think we do need to clean it up.”

On a related note, the committee also discussed potential legislation which would exempt private equity firms from licensing and the state bank franchise tax. Everson said the committee will need to decide if it wants to allow any more exemptions from the franchise tax.

Stay Engaged

Bankers can stay current on legislative issues of importance to the banking industry by reading the SDBA’s Legislative Update and Legislative Bill Watch. The Legislative Update is a recap of weekly key legislative action. The Legislative Bill Watch tracks the status of bills the SDBA is monitoring.

Publications will be distributed electronically each Friday during session and posted on the SDBA’s website, at www.sdba.com/state-legislature. To receive the publications electronically, create a profile or log in to the SDBA’s website at www.sdba.com/sign-up and select which publications you would like to receive.

Questions, contact SDBA Communications Coordinator Alisa DeMers at ademers@sdba.com or 800.726.7322. ■

SDBA 2015-2016 Legislative Committee Members

Chair

Bradley Moore, Dacotah Bank, Aberdeen

Vice Chairman

Lynn Peterson, CorTrust Bank, Yankton

Term Ending April 30, 2016

- Bruce Byrum, Black Hills Community Bank, Spearfish
- Nicole Gordon, BankWest, Pierre
- Phil Johnson, The First National Bank in Sioux Falls, Sioux Falls
- Michael Ness, First Dakota National Bank, Sioux Falls
- Don Nolan, Farmers State Bank, Marion
- Mike Owens, Sunrise Bank Dakota, Onida
- Roger Porch, First National Bank in Philip, Philip
- Tom Weaver, First Interstate Bank, Rapid City

Term Ending April 30, 2017

- Patrick Burchill, U.S. Bank, Rapid City
- Jeremy Keizer, Reliabank Dakota, Tea
- Keith Robbennolt, Black Hills Community Bank, Rapid City
- Robert Rutten, Citizens State Bank, Arlington
- Grant Seaman, First State Bank of Warner, Warner

Term Ending April 30, 2018

- Steve Conzet, Wells Fargo Bank, NA, Rapid City
- Joshua Hogue, Reliabank Dakota, Watertown
- Todd Hopkins, CorTrust Bank, Sioux Falls
- Michael Hudson, First National Bank, Pierre
- Tanner Kost, Dakota Prairie Bank, Fort Pierre
- Kristina Schaefer, First Bank & Trust, Sioux Falls
- Lynn Schneider, American Bank & Trust, Huron
- Kerry Swingler, Great Western Bank, Aberdeen
- Kevin Tetzlaff, First Bank & Trust, Brookings
- Cindi Walsh, U.S. Bank, Aberdeen

2016 Session Calendar

Jan. 12	Session opens.
Jan. 18	Martin Luther King Jr. Day Holiday
Jan. 19	Executive orders filed.
Jan. 22	Concurrent resolution limited introduction deadline.
Jan. 28	Final day for unlimited bill and joint resolution introduction (J.R. 6B-3).
Feb. 2	All bill drafts with sponsors due back in LRC.
Feb. 4	Final day for introduction of individual bills and joint resolutions.
Feb. 5	Final day for introduction of committee bills and joint resolutions.
Feb. 15	President's Day Holiday
Feb. 22	Last day to use J.R. 5-17.
Feb. 23	Last day to move required delivery of bills or resolutions by a committee to the house of origin.
Feb. 24	Last day to pass bills or joint resolutions by the house of origin.
Feb. 24	Last day for introduction of concurrent resolutions and commemorations.
March 3	J.R. 5-13 in effect.
March 7	Last day to move required delivery of bills or resolutions by a committee to the second house.
March 8	Last day for a bill or joint resolution to pass both houses.
March 9	Reserved for concurrences or conference committees.
March 10	Reserved for concurrences or conference committees.
March 29	Reserved for consideration of gubernatorial vetoes.

★ Stay Current on South Dakota Banking Industry Legislation ★

www.sdba.com/state-legislature

SDBA 2016 State Legislative Day

February 10, 2016 | Ramkota RiverCentre | Pierre, S.D.



The SDBA's 2016 State Legislative Day on Feb. 10 in Pierre is your opportunity to stay up-to-date on both state and federal legislation which could affect the banking industry and to visit with state legislators. The day will include a luncheon and banking legislation review, discussion on the 2016 race for the White House, chance to visit

with legislators at the State Capitol, and an evening reception and dinner with legislators and constitutional officers. The Governor has also been invited to speak.

Schedule

8:00 a.m.: **SDBA Board Meeting**

10:00 a.m.: **SDBA Legislative Committee Meeting**

11:30 - 12:00 p.m.: **Conference Registration**
(RiverCentre Lobby)

12:00 - 1:00 p.m.: **Luncheon & Program**

Legislative Update

- ★ **Rick Rylance**, SDBA Chairman
Regional President, Dacotah Bank, Rapid City
- ★ **Curt Everson**, SDBA President & Lobbyist
- ★ **Brett Koenecke**, SDBA Counsel & Lobbyist

1:00 - 2:00 p.m.: **View from the Executive Office**

- ★ **The Honorable Dennis Daugaard** (*invited*)
Governor, State of South Dakota

2:00 - 3:30 p.m.: **"Fear and Loathing in the Campaign Trail 2016"**

- ★ **Dr. Steffen W. Schmidt**, Professor of Political Science, Iowa State University, Ames, Iowa

3:30 p.m.: **Visit with Legislators at the Capitol**

6:00 p.m.: **Legislative Reception**

Join legislators and constitutional officers for a reception and dinner at the Ramkota RiverCentre.

7:00 p.m.: **Legislative Dinner & Business Plan Competition Awards**

Following dinner, high school winners of the South Dakota Bankers Foundation's Business Plan Competition will be announced.

"Fear and Loathing in the Campaign Trail 2016"

The 2016 race for the White House is proving to be one of the most interesting and intense in the past 50 years. Outsiders on top of the polls. A socialist Democrat challenging a dynastic Hillary Clinton. A HUGE field of Republicans. "The Donald" Trump driving the media and the GOP party nuts. A terrorist attack in Paris that may change the whole caucus and primary season. Professor Steffen W. Schmidt will slice and dice this exceptional political season. Fasten your seat belts!

Feature Speaker

Dr. Steffen W. Schmidt is university professor of political science at Iowa State University in Ames, Iowa. He is the author of 11 books including the best-selling college textbook "American Government and Politics Today" (19th edition) which has been read by more than 3 million college students.

He grew up in Colombia, South America, and has studied in Switzerland and France. Dr. Schmidt obtained his Ph.D. from Columbia University, New York, in public law and government. He is the recipient of numerous teaching awards, including the Amoco Award for Lifetime Career Achievement in Teaching and the Teacher of the Year Award. Schmidt is known as Dr. Politics to his many readers, followers, friends and fans.

Dr. Schmidt is a frequent commentator on national and international news media including Spain's largest news service EFE, Agence France Presse (AFP), Venezuelan independent newspapers and is quoted in the New York Times, Washington Post, Washington Times, Canadian newspapers, the BBC, the Economist and many others. He has been featured on the "Daily Show with John Stuart."



Registration Fee

The registration fee for the luncheon and afternoon program is \$159 per person. The registration fee for the evening reception and dinner is \$110 per person. The on-site fee per person is \$169/afternoon; \$120/evening.

More Information

Visit www.sdba.com to register online. Or call the SDBA Office at 605.224.1653 or 800.726.7322. ■

Standing Together for a Strong Industry



For many of us, the holiday season provided an opportunity to pause and reflect on the things for which we are thankful. As I assume my responsibilities as ABA's new president and CEO and look ahead to all the challenges and opportunities facing our industry, there's one thing that I'm

especially grateful for: the alliance that ABA has forged over the years with our 53 state association partners.

I have worked in Washington long enough to know how critically important—and sometimes rare—such effective, nationwide alliances are. And there is no doubt that they provide a strategic and tactical advantage for any lobbying organization lucky enough to boast one.

That's why the day I was named ABA's next CEO last spring, the first thing I did was pick up the phone and personally call each state association executive. In these conversations, I had the opportunity to listen to the priorities, concerns and aspirations of the people that I will have the privilege of working closely with in the coming days, months and years. My message to them, and to you, is simple: as we fight for the common goals of regulatory relief for our industry and a fair playing field for banks in the face of growing nonbank competition, we must all—community banks and large institutions alike—stand together as one.

A unified industry is essential for success in Washington. We've all witnessed the difficult realities of getting meaningful legislation through Congress. Lawmakers face too many demands from too many different areas to worry about bankers if we all disagree. The responsibility lies with us to focus on the things we have in common and the ways that we can work together to elevate our industry and strengthen our economy—and our partnership with the state associations is indispensable to finding that unified focus.

With such a diverse industry, building consensus can sometimes be a challenge, but it is both doable and worth doing. ABA and the state associations together represent the full range of banks—institutions of different asset sizes, business models and charters—that help American businesses, consumers and communities succeed. Each

« »
With such a diverse industry, building consensus can sometimes be a challenge, but it is both doable and worth doing.
»

member of our diverse industry plays a critically-important role in the financial ecosystem, making our economy stronger and our country's banking sector the envy of the world. That impresses policymakers. It makes them want to know where we stand, and it helps them understand the implications of their policy decisions.

Our partnership with the state associations is not only critical to creating unity, it also produces a muscular response when grassroots action is needed. Effective advocacy organizations need both strong fundraising and boots on the ground in every congressional district. State associations deliver that. They have been the key to making BankPac a top-10 PAC, and between our joint Washington Visit program and the annual Government Relations Summit, they bring more than 2,000 bankers to the nation's capital every year for face-to-face meetings with policymakers.

So as we roll up our sleeves and get to work on our priorities for 2016, I'm thankful for many things. I'm thankful for the opportunity to lead ABA as we navigate through whatever challenges the future has in store. I'm thankful for the strong alliance with our state associations that will help us remain unified as an industry and achieve our common goals. And most of all, I am thankful for all of you—for everything you have done and continue to do to help us succeed. ■

Rob Nichols is president and CEO of the American Bankers Association (ABA). You can reach Nichols at nichols@aba.com.

2016 ABA Government Relations Summit

March 14-16, 2016 ★ Washington, D.C.

www.aba.com

HSAs: A Few Important Issues



1. There are four requirements that have to be met to establish a health savings account (HSA). The financial institution is not responsible for determining those requirements. It is the responsibility of the account holder.
 - The individual must be covered by an **HSA-eligible**, high-deductible health plan (HDHP). (Comment: Not all HDHP plans are HSA eligible.)
 - The individual must not be covered by another health plan that is not an HDHP. (Comment: If a person is covered by two health plans (one is an HDHP and one is not) the account holder is not eligible to contribute into an HSA.)
 - The individual cannot be enrolled in Medicare. (Comment: If a person is enrolled in Medicare, they can still be on an HDHP but just not contribute into an HSA. He or she could not sign up for Medicare, opt out, and then contribute into an HSA.)
 - The individual cannot be claimed or be eligible to be claimed as a dependent on another individual's personal federal income tax return. For instance, an HSA owner could be claimed on her son's personal tax return. However, the son does NOT claim his mother on his tax return. Even though she was NOT claimed by her son, she is NOT HSA-eligible.
2. 2016 HSA eligible HDHP limits:
 - Self only – \$1,300 minimum deductible
\$6,550 maximum out-of-pocket expense
 - Family – \$2,600 minimum deductible
\$13,100 maximum out-of-pocket expense
3. 2016 HSA Contribution Limits
 - Self only – \$3,350 \$1,000 catch up (age 55)
 - Family – \$6,750 \$1,000 catch up (age 55)
4. To be a qualified HSA:
 - Must be in an HDHP
 - Must have completed an HSA plan agreement
 - Money must be contributed (even if it is just \$5)
5. First of month eligibility: Must be part of a qualified HDHP on the first month to be eligible to contribute into an HSA. For example: A person starts a new job March 15. That person's first eligible month would be April.
6. Partial year eligibility – 13 month testing. A person starts a new job July 1, 2015. There are two answers:
 - Contribute one-half of that year's contribution.
Self – \$3,350. Family – \$6,650
 - Contribute the entire year's contribution limit. Then the 13-month testing rule will apply. They must still be in a qualified HDHP in December 2015 and all of 2016 (13 months). If they fail to meet this requirement, they would be subject to tax and additional 10 percent penalty tax. One-half would then be taxed and penalized 10 percent. NOTE: It does not get removed from the account.
7. Contribution deadline for 2015 is April 18, 2016, due to the weekend/holiday rule.
8. HSA rollover rule: It is the same as the new IRA rollover rule, which is one rollover per 365 days (12 months) regardless of the number of HSA accounts a person has. 365 days start on the date of distribution. ■

Mike Nelson is the SDBA's endorsed IRA training and audit provider. He is president of JM Consultants and utilizes products and services of Convergent Retirement Plan Solutions, an SDBA endorsed vendor. Nelson can be reached at 218.831.1858 or m88nelson@hotmail.com.



ABA's Rob Nichols to Host 2016 Outlook Webinar

ABA's new president and CEO, Rob Nichols, will host a free webinar for members on Tuesday, Jan. 12, at 1 p.m. CT, giving an overview of the issues, challenges and opportunities for banks in 2016 and beyond.

Among other things, Nichols will detail the political lessons learned from the industry's campaign for

regulatory relief and what bankers must do differently in the new year to persuade policymakers. He'll also discuss the industry's future challenges and how ABA is organizing around them and field questions from participants. Register for the webinar at <http://bit.ly/1NUsmCd>. ■

Secure Banking Solutions Launches SBS Institute 2.0



Same Great Courses—New Names and Learning Paths

Secure Banking Solutions (SBS) has relaunched the SBS Institute 2.0—a new and improved version of the Cybersecurity Certification Programs you’ve come to know and love.

We’re launching five new certifications as a part of the process, but you’ll also see the names of some of our cornerstone certifications altered slightly to add clarity to the course. Additionally, we’re excited about our new learning paths—our guide to helping you create an ongoing learning program that can meet your training and education needs for years to come.

Before you worry about any changes, we want to assure you that the same amazing training and education you’ve come to know and love isn’t changing one bit. While some of the certification names may change a bit—such as the CCBSP to the CBSM—changes in the naming scheme are designed to help courses fall into three different areas of education at your financial institution: the executive level, manager level and technical level.

The **executive level** of the SBS Institute is geared at the top-level of your financial institution, namely the board of directors and the C-level executives. Certifications at the executive level are meant to help your organization understand the high-level areas of risk, set the institution’s risk appetite, and ensure sound security practices are implemented and tested.

The **manager level** of education is built around certification programs that help the institution manage and implement different aspects of your information security program (ISP), as well as how to measure some of your ISP components and report findings upstream. Roles at the institution that the manager level certifications would best suit include the ISO, IT manager, auditors, or compliance, security or operations officers.

The **technical level** is aimed at those that are responsible for implementing the technical, day-to-day risk-mitigating controls at your institution, such as managing and monitoring a firewall, managing mobile devices, performing a digital forensic investigation, or learning techniques that a hacker would use to break into the network so that you can build up your perimeter defenses. Roles that best fit the technical level certifications include IT managers, network administrators and IT specialists.

What exactly is changing?

Besides the introduction of our new learning paths, the most significant change regarding the launch of

SBS Institute 2.0 involves the names of our current certifications. The content is not changing, mind you, but the names are changing to better align with these new learning path levels.

- **CCBBD** = Certified Banking Security Executive (**CBSE**)
- **CCBSP** = Certified Banking Security Manager (**CBSM**)
- **CCBTP** = Certified Banking Security Technology Professional (**CBSTP**)
- **CCBVM** = Certified Banking Vendor Manager (**CBVM**)
- **CCBIH** = Certified Banking Incident Handler (**CBIH**)
- **CCBEH** = Certified Banking Ethical Hacker (**CBEH**)

Launching New Certification Programs

We are launching five new certifications in the next few months, including our brand-new Certified Banking Cybersecurity Manager (CBCM) certification program. The CBCM is built around the new FFIEC Cybersecurity Assessment tool and walks you through the entire process. At the end of CBCM, you will have completed your cybersecurity assessment, understand the different components, and be able to show it off to your regulator with ease. The five new certifications are:

- Certified Banking Cybersecurity Manager (CBCM)
- Certified Banking Business Continuity Professional (CBBCP)
- Certified Banking Vulnerability Assessor (CBVA)
- Certified Banking Mobile Administrator (CBMA)
- Certified Banking Forensic Investigator (CBFI)

What if I’m already certified through the SBS Institute?

Fear not—we’ve got you covered. All students that have previously taken and passed an SBS Institute certification course will have new physical certifications printed and sent to their institution very soon. Again—the content isn’t changing, just the name!

Currently, we have nearly 600 SBS Institute certified students in more than 30 states, and that number grows by the day. We are also endorsed in 28 states for our Cybersecurity Certification Programs, as well as by the Graduate School of Banking.

Anything else I need to know?

Our Cybersecurity Certification Programs are financial-industry specific and designed to help make each of your individual day-to-day job responsibilities easier and more valuable to your institution. For more information, email sbsinstitute@protectmybank.com, visit www.protectmybank.com/sbsinstitute or call 605-269-0909 and let us know what we can do to help. ■

Four Companies Join SDBA as Associate Members

DCI (Data Center Inc.)

Contact: Gary Gilman, Regional Sales Manager
Address: 500 NW 34th Street, Willmar, MN 56201
Phone: 320-262-3405
Email: ggilman@datacenterinc.com
Website: www.datacenterinc.com

Description: DCI combines leading core technology and personal relationships for a more rewarding experience. Advanced iCore360 processing software provides complete Web-based control, in house or out-sourced. Single source data, integration and support with imbedded new accounts platform, custom GL, analysis dashboard, paperless banking, remote capture, ATM network, online/mobile banking, compliance, data security and more. Innovation by you and fellow bankers, focused on your success. ■



PrintMail Solutions, Inc.

Contact: Adam DeMarais
Address: 4153 120th Street, Urbandale, IA 50323
Phone: 800-910-4844
Email: adam.demarais@printmailsolutions.com
Website: www.printmailsolutions.com

Description: **PRINTMAIL SOLUTIONS**
Located in

Des Moines, Fort Worth, Knoxville and Philadelphia, PrintMail Solutions provides a flawless print and mail solution to more than 290 community banks. Our secure solutions include statement redesign, an array of marketing options, and a custom-integrated eStatement solution designed to exceed customer expectations and drive e-adoption for community banks. ■



UMB Bank

Contact: Marty Trepp, Vice President
Address: 1010 Grand Blvd, Kansas City, MO 64106
Phone: 515-418-8974
Email: marty.trepp@umb.com
Website: www.umb.com



Description: UMB is a full service bank with experience and expertise serving Midwest banks for more than 40 years and nearly 1,000 other financial institutions nationwide. Our investment and correspondent team has the knowledge and resources to keep you competitive with easy access to the services you require. We have been in business more than 100 years and have learned that safety and security count. That's why we navigate by our core principles of honesty and integrity. We don't get distracted by the latest craze. Because no matter how far we go, we will never lose sight of what's important. ■

Xigent Solutions

Contact: Doug Schneider, Senior Consultant
Address: 4515 E 26th St, Sioux Falls, SD 57110
Phone: 605-215-1111
Email: schneiderd@xigentsolutions.com
Website: www.xigentsolutions.com

Description: Xigent Solutions specializes in delivering enterprise-level IT infrastructure services and solutions to mid-market organizations by creating and managing business efficient IT, the optimal combination of people, processes and technology that delivers increased service levels for any level of investment. Xigent engages with customers holistically on both a strategic and tactical basis enabling them to deliver greater IT and business outcomes. ■



A Historical Look at South Dakota Banking...continued from page 10

Other Banking-Related Items

In addition to images, other items in South Dakota State Archives' collections include government and manuscript materials such as town and county history books, which often contain information on banks. Other items which bankers might be interested in include old banking and finance reports by the state superintendent of banks, copies of "The Sunshine Banker" which was a newsletter once published by the SDBA, and items such as old checks and savings booklets from banks no longer in existence.

Anyone interested in seeing what items are available on a specific bank or topic can contact South Dakota State Archives, and staff will research its

database. Call 605.773.3804 or email archref@state.sd.us. South Dakota State Archives also provides assistance on how to preserve historical items.

To search for photos in South Dakota Digital Archives, visit www.history.sd.gov/archives and click on "South Dakota Digital Archives."

"Banking in South Dakota" will be on display at the Cultural Heritage Center for approximately six months.

The Cultural Heritage Center is open Monday through Saturday 9 a.m. to 4:30 p.m. CT and Sundays and holidays 1 to 4:30 p.m. There is no fee to view the "Banking in South Dakota" photo display in the Education Room, but standard admission fees apply for those wanting to visit the museum galleries. ■

Dacotah Bank Insurance Producer Completes Certification



Trevor Steen

Trevor Steen of Dacotah Bank, Aberdeen, has completed the Agribusiness and Farm Insurance Specialist (AFIS) certification.

The Agribusiness and Farm Insurance Specialist program is a continuing education curriculum focusing on the insurance and risk management needs of agribusiness and farm operations. The core curriculum

for the AFIS program consists of five parts. After successful completion of all five exams, participants earn the AFIS designation. Classes include farm liability and property, ag pollution, livestock insurance, crop insurance and workers' compensation.

"This is a great accomplishment in insurance training and truly sets him apart from other insurance agents in this line of business," said Tom Heisler, Dacotah Bank's senior vice president insurance. "Trevor took it upon himself to complete all of the courses in just over 60 days." ■

Great Western Bancorp, Inc. Expands Sioux Falls Presence with the Acquisition of HF Financial Corp.

On Nov. 30, 2015, Great Western Bancorp, Inc. (NYSE: GWB) entered into a definitive merger agreement to acquire HF Financial Corp. (NASDAQ: HFFC), the parent company of Home Federal Bank, in a cash and stock transaction valued at \$139.5 million.



Ken Karels

"This acquisition offers us the opportunity to expand our footprint and customer base by complementing our existing branch network presence in eastern South Dakota and adding locations in attractive markets in Fargo, North Dakota, and Minnesota," said Ken Karels, president and chief executive officer of Great Western Bank.



Stephen Bianchi

"Home Federal's strong market presence in Sioux Falls and outstanding reputation coupled with Great Western Bank's comprehensive product offerings and strong capital base will allow the combined franchise to better meet the expanding needs of our customers and communities," Karels added. "This partnership continues Home Federal's legacy and significantly expands our market visibility and customer base."

Stephen Bianchi, president and chief executive officer of Home Federal Bank said, "After careful thought and consideration, our board of directors decided that a

merger with Great Western Bank provides tremendous value for stakeholders. I'm confident that we have found an excellent partner in Great Western Bank."

The merger is expected to close in the second quarter of 2016, subject to certain conditions, including HFFC stockholder approval, regulatory approval and other customary closing conditions. At closing, GWB is projected to have \$11.3 billion in assets, \$8.5 billion in loans, and \$8.6 billion in deposits and will serve 127 communities in nine states. ■

Ken Karels To Serve on Federal Reserve Advisory Council

Ken Karels, president and chief executive officer of Great Western Bank in Sioux Falls, was recently appointed to the Federal Advisory Council (FAC) of the Federal Reserve Board.

The FAC is composed of 12 representatives of the banking industry and consults and advises the Board on all matters within the Board's jurisdiction. The Council meets four times a year in Washington, D.C.

Each year, each Federal Reserve Bank chooses one person to represent its district on the FAC, and members customarily serve three, one-year terms. Karels was chosen to serve the Ninth District (Minneapolis), and his term begins in 2016. ■

SBS Grows Leadership Team with New President/COO



Aaron Gamewell

Secure Banking Solutions (SBS) announced Aaron Gamewell as its new president and chief operating officer (COO). He joins SBS to help further develop its team of professionals and lead the growing organization.

Gamewell has 21 years of experience in banking, leadership and operational management. After leaving banking in 2008, he worked with start-ups and venture capital groups in a consulting capacity to maximize opportunities and efficiencies in the organizations that he served. Gamewell spent the past three-and-a-half years at the Arkansas Bankers Association as the executive vice president and COO.

"Aaron is an experienced leader who has excelled in management within the banking industry, which makes him a perfect fit for our organization at this time of growth," said Dr. Kevin Streff, SBS managing partner. "I am personally excited to have someone of Aaron's caliber overseeing operations at SBS, allowing me to shift focus to a more specific role in education and research and development."

A cybersecurity company, SBS aims to make a positive impact on small to medium-sized financial institutions and help them achieve successful IT examinations. ■

classifieds

Chief Financial Officer, First Dakota National Bank, Yankton, S.D.

FIRST DAKOTA NATIONAL BANK is seeking a new chief financial officer, due to a pending retirement. This corporate-level position is responsible for the bank's finance, accounting, budgeting and reporting functions. The successful applicant, preferably a CPA, will hold a bachelor's or master's degree in accounting and have a minimum of 10 years of experience in bank accounting and financial reporting. The position is located at the bank's corporate headquarters in Yankton, S.D. FIRST DAKOTA, which has total assets exceeding \$1.2 billion and a financial team of more than 325 dedicated banking professionals, offers competitive compensation and benefits programs that include medical, dental, life, short & long-term disability, PTO, career apparel & a 401(k) retirement plan. The successful applicant must pass pre-employment screening that includes credit history and a background check. Interested candidates may email a resume and cover letter to: Laurie Moeller, VP-human resources, at lmoeller@firstdakota.com. First Dakota National Bank is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities. Member FDIC. ■

Mortgage Originator Specialists, CorTrust Bank, Sioux Falls and Vermillion, S.D.

COME GROW WITH US! CorTrust Bank is a progressive community bank and has an exciting opportunity for two experienced mortgage originator specialists—one in Sioux Falls and one in Vermillion. In exchange for a proven track record, CorTrust offers an excellent salary and benefits package, some of which include health and dental insurance, ESOP and 401K. This position solicits and pre-qualifies loan applications according to approved policies, prepares credit application packages and presents

requests to underwriting for approval. Reviews loan documents in preparation for closing. Develops relationships throughout the community; solidifies the bank and mortgage company as industry leaders. For questions, contact Todd Hopkins at 605-331-4092. SEND APPLICATION AND RESUME TO: DMULLOY@CORTRUSTBANK.COM. ■

Staff Accountant, Northwest Financial Corp., Arnolds Park, Iowa

Northwest Financial Corp. in Arnolds Park, Iowa, has a great opportunity to join a progressive, community-minded banking organization. Responsibilities include providing accounting support and preparation of regulatory and management reports at the holding company. Qualifications: degree in accounting/finance, CPA exam qualified, and two to five years of experience in public accounting and banking preferred. Must be analytical, have strong verbal and written communication skills. For more information, apply online today at www.bank-northwest.com and click on "Employment." ■

Trust Operations Manager, First Dakota National Bank, Sioux Falls, S.D.

The trust operations manager is responsible for the overall coordination of daily operations for First Dakota National Bank's Trust & Investment Department. This position will implement and maintain operational controls for the department with a focus on transactional reviews, account and asset reconciliations, recordkeeping and tax reporting. The incumbent will be responsible for resolution of transaction and custody exceptions and performing complex inquiries and research. Qualified candidates will have strong work experience in trust operations or administration, superior attention to detail, a keen understanding of the regulatory compliance of the industry as well as experience managing staff.

Experience with Infovisa trust accounting software is a plus as is a CSOP or ATOP designation. At First Dakota we seek qualified and committed individuals who want to grow with us. We recognize the vital contribution of our employees and pledge to create an atmosphere that enables employees to maximize their potential for the mutual benefit of themselves, customers, shareholders and communities. First Dakota National Bank is an Equal Opportunity Employer of women, minorities, protected veterans and individuals with disabilities. ■

Vice President of Lending, United Bankers' Bank, Sioux Falls, S.D.

United Bankers' Bank (UBB), headquartered in Minnesota, has an opportunity for a motivated VP of lending. This individual will be based in Sioux Falls. UBB is a successful and growing bankers' bank that supports community banks in the Midwest and Pacific Northwest. Our motto, "First, for Your Success" reflects the importance UBB places on helping customers and employees succeed. The VP of lending's objective is to engage in ongoing discussion with client banks in order to obtain the opportunity to assist them with over-line and bank stock loan requests. They will contribute significantly to department and bank objectives of excellent credit quality, excellent customer service and outstanding returns to shareholders. Bachelor's degree with formal credit training or MBA, eight years of banking experience, five years of credit analysis or lending experience, and MS Office (Word, Excel, PowerPoint) is preferred. United Bankers' Bank is a great place to work—with people who share a vision of providing great customer service AND a superior benefit package including 11 paid holidays per year. United Bankers' Bank is an EEO/AA employer: women, minorities, the disabled and veterans are encouraged to apply. To see full job description and apply online go to www.ubb.com/careers. ■

If you have a job opening at your bank or something to sell, send your classified listing via email to ademers@sdba.com and we will post it on the SDDBA website, print it in one issue of the South Dakota Banker Magazine and include it in the SDDBA eNews. This service is free to member banks and associate members (200 word limit). The fee is \$50 for nonmembers. Questions, contact Alisa DeMers at 800.726.7322.

Seminars and Conferences

IRA Basics Seminar

Jan. 13, 2016: Ramkota, Sioux Falls

2016 SDBA State Legislative Day

Feb. 10, 2016: Ramkota RiverCentre, Pierre

NDBA/SDBA Bank Management Conference

Feb. 12-13, 2016: Westin Kierland Resort & Spa, Scottsdale, Ariz.

IRA Update Seminar

Feb. 18, 2016: Ramkota, Sioux Falls

ABA Government Relations Summit

March 14-16, 2016: Washington Marriott Marquis, Washington, D.C.

Legal Issues of New Account Documentation

April 7, 2016: Clubhouse Hotel & Suites, Sioux Falls

2016 SDBA Agricultural Credit Conference

April 13-15, 2016: Ramkota RiverCentre, Pierre

Tri-State Trust Conference

April 25-27, 2016: Hilton Garden Inn, Fargo, N.D.

IRA Basics Seminar

May 3, 2016: Ramkota, Sioux Falls

2016 NDBA/SDBA Annual Convention

June 12-14, 2016: Ramkota Hotel, Bismarck, N.D.

2016 National School for Experienced Ag Lenders

June 20-23, 2016: Black Hills State University, Spearfish, S.D.

2016 SDBA IRA School

Sept. 7-9, 2016: Clubhouse Hotel & Suites, Sioux Falls

2016 SDBA Bank Technology Conference

Sept. 20-21, 2016: Sioux Falls

January Webinars

The following are available as live webinars and/or recorded seminars. For more information and additional webinars, visit www.sdba.com/webinars.

- Jan. 7, 2016: Lending to Municipalities
- Jan. 12, 2016: Writing High Quality Email
- Jan. 12, 2016: IRA Update and Review
- Jan. 13, 2016: Dealing with Subpoenas, Summonses, Garnishments, Tax Levies, Etc.
- Jan. 13, 2016: Understanding CCC Loans for Ag Lenders
- Jan. 14, 2016: Currency Transaction Reporting: Line by Line
- Jan. 19, 2016: Compliance Perspectives: A Monthly Update
- Jan. 20, 2016: Business Resolutions and

Authorizations: How to Use Them to Protect Your Financial Institution

- Jan. 20, 2016: Addressing Threats of Violence (Prevention, Action & Cautions)
- Jan. 21, 2016: Safe Deposit Box Access When Your Renter Dies
- Jan. 21, 2016: Basic Cash Flow Analysis
- Jan. 26, 2016: Advertising Compliance
- Jan. 26, 2016: Improving Employee Performance in Everyday Work Situations & Reviews
- Jan. 27, 2016: Home Equity Lines of Credit
- Jan. 27, 2016: Best-Ever Compliance Checklists for Consumer Loans
- Jan. 28, 2016: 20 Legal Account Ownerships, Titles, Sample Signature Cards and Legal Documentation
- Jan. 28, 2016: Deliver Training They Don't Want To Miss

Banking Schools

Dakota School of Lending Principles

March 29-April 1, 2016: Bismarck, N.D.

GSB Human Resource Management School

April 10-15, 2016: Madison, Wis.

GSB Bank Technology Management School

April 17-22, 2016: Madison, Wis.

GSB Financial Managers School

May 9-13, 2016: Amherst, Ma.

Dakota School of Banking

June 19-24, 2016: University of Jamestown, Jamestown, N.D.

2016 National School for Experienced Ag Lenders

June 20-23, 2016: Black Hills State University, Spearfish, S.D.

Graduate School of Banking at Colorado

July 17-29, 2016: University of Colorado in Boulder

Graduate School of Banking at Wisconsin

July 31-Aug. 12, 2016: University of Wisconsin-Madison

GSB Financial Managers School

Sept. 18-23, 2016: Madison, Wis.

GSB Bank Technology Security School

Oct. 23-28, 2016: Madison, Wis.

Program and registration information is available six to eight weeks before each conference. For complete registration information, visit www.sdba.com.

2016

March 29 - April 1, 2016



The Dakota School of Lending Principles, hosted by North Dakota Bankers Association and co-sponsored by South Dakota Bankers Association, provides basic instruction appropriate for loan officer trainees, loan support personnel and personal bankers. To ensure exposure to bank structure and terminology, it is recommended that applicants have a minimum of six months lending experience or one year of loan department experience. Applicants not meeting the suggested prerequisites will be contacted to discuss admission qualifications. Visit www.sdba.com to register online or contact Dorothy Lick, NDBA, at 701.223.5303 or dorothy@ndba.com.

NDBA/SDBA
Dakota School of Lending Principles
Radisson Hotel, Bismarck ND

ABA Government Relations Summit 2016



March 14-16, 2016 ★ Washington, DC

Join ABA and bankers from across the U.S. for
the **2016 ABA Government Relations Summit**,
in Washington, DC. Be a voice of influence during
this critical election year, and unite with more than
a thousand industry colleagues to help bring your
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