

South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry | January 2012



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Arizona



NDBA/SDBA Bank Management Conference

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The advertisements within this publication do not necessarily represent endorsed vendors of the SDBA. With the exception of official announcements, the SDBA disclaims responsibility for the opinions expressed and statements made. The editor reserves the right to refuse any advertisement or editorial copy. Advertising rates are available upon request.

Member banks, branches and associate members receive one complimentary subscription. Additional subscriptions are available to members at a rate of \$45 per year. The non-member rate is \$90 per year.

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Resolve to Be More Grateful and Joyful in 2012

By Bruce Byrum

President, First Interstate Bank, Spearfish



Joyful new year to you all. Just as Christmas is a time to celebrate the birth of Jesus Christ and reflect on all that we have been given, New Year's, for many, has become a time to resolve to do something or not to do something. These resolutions can be beneficial to ourselves and/or to others.

If we are successful in fulfilling our New Year's resolutions, we are likely to experience a sense of accomplishment and happiness.

By modifying our approach to these resolutions, we could take these positive feelings to the next level. The next level would bring us to a feeling of "joyfulness." To be joyful is more of a long-term attitude which grows out of gratitude.

If we were to pursue the development of a joyful lifestyle, we might start by identifying those things for which we are most grateful. Then we would resolve to focus more on these positive things instead of all the negative we encounter day after day.

Because our jobs as bankers are so much a part of our overall lives, incorporating gratitude (and thus being

joyful) could be beneficial for us and all those whom we encounter. Our first step towards becoming joyful might be to make a list of those things about our banking careers for which we are thankful. This should not be difficult.

First of all, we have jobs, comfortable working environments, great benefits, and we help people achieve their goals, as well as support our communities and worthwhile causes through donations of time and/or money. These and many other gratifying aspects of our banking positions could occupy our thoughts on a more regular basis.

There is no denying that the banking industry has its challenges. However, we do not want these challenges to overshadow all the good that we do and experience in our jobs.

My hope is that we can all resolve to be more grateful and joyful in 2012. ■

Bruce Byrum is president of First Interstate Bank in Spearfish. You can contact Byrum at (605) 642-2734 or bruce.byrum@fib.com.

SDBA Offers \$250 Stipend to Attend ABA's 2012 GR Summit



To encourage more bankers to attend the ABA's 2012 Government Relations Summit, the SDBA is offering a \$250 stipend to member bankers who attend this year's event.

The \$250 stipend is limited to the first banker who registers from each SDBA member bank. SDBA

Board members currently receive a stipend to attend the Summit, so their banks are not eligible to receive an additional \$250.

This year's ABA Government Relations Summit will be held March 19-21, 2012, at Omni Shoreham in Washington, D.C. The Summit truly is your opportunity to "talk to power." Your involvement will help legislators understand who bankers really are and what banks do for their constituents. Our message is: Let bankers be bankers - an engine of economic growth and job creation in our communities.

At the Summit, we'll explore developments related to key issues that will impact our industry, including the implementation of Dodd-Frank and desired changes to the regulatory environment. One featured speaker will be Chris Matthews, host of "Hardball" on MSNBC

and "The Chris Matthews Show" on NBC.

Attendees will also meet with lawmakers on Capitol Hill to discuss concerns about the state of the industry, their communities and our nation.

This degree of legislative engagement also helps shape the regulatory process - a fact that will be reflected in the Summit agenda. In 2012, the bank regulatory agency leadership will be completely new - giving us an exceptional opportunity to reach out to regulators.

ABA Chairman Kell Kelly notes that credit union executives will be in town at the same time for their annual government affairs conference, and they are expected to lobby members of Congress on legislation to raise credit unions' member business-lending limits.

"More than ever, we will need to speak with a united voice to be heard above the thousands of credit union representatives pushing their message to the Hill and the agencies," said Kelly, who is president and CEO of SpiritBank in Bristow, Okla.

While there is no registration fee, those who plan to attend must register with the ABA. The SDBA will issue stipends following the Summit. For more information and the registration form, visit www.aba.com/Events/GRS.htm. ■

Is the Time Right to Push for Taxation of Credit Unions?

By Curt Everson

President, South Dakota Bankers Association



Happy New Year! I will admit that my less than rosy view of 2011 was colored by the great Missouri River flood and by the continuing political stalemate in Washington, so I for one am happy to turn my calendar over to 2012.

Among the many hopes I have for 2012 is that members of both parties in

Congress can find some sliver of common ground upon which they will build a plan for a fiscally-sustainable federal budget, one that doesn't saddle the next several generations of Americans with an impossible burden of debt. I believe strongly that if members are going to find that common ground, some long-standing political untouchables must be scrutinized. Among those is the exemption from state and federal income tax enjoyed by federally-chartered credit unions.

I recently had the opportunity to speak to members of a community advisory board for a small community bank from eastern South Dakota. During our discussion, I touched on the 2011 community charter expansions of two of our state's large, aggressive federal credit unions: \$170-million Dakotaland Federal Credit Union and \$910-million Black Hills Federal Credit Union. Small business owners who serve on this bank's advisory board were unaware that credit unions pay neither federal income tax or state bank franchise tax. They weren't happy about what I had to say and wondered why Congress wasn't willing to do something about it.

I hear regularly from bankers who are frustrated about having to compete against federal credit unions who enjoy a built-in funding advantage courtesy of Congress and the Internal Revenue Code. Those same bankers welcome fair competition in the markets they serve. It keeps them all on their toes. But, they are understandably chapped about playing on a field which is so heavily tilted in favor of tax-advantaged credit unions.

South Dakota banks pay federal income tax at an average rate of approximately 35 percent plus the state bank franchise tax of 6 percent. For every dollar of profit made by a South Dakota bank, the bank pays north of 40 percent, while federal credit unions pay zero...nothing...zip...nada. Let me try to put this disparity into perspective. Below are recent numbers for the state's 6 percent bank franchise tax.

(\$ Millions)	FY2007	FY2008	FY2009	FY2010	FY2011	5 Year Total
State Government Share	\$50.5	\$45.4	\$33.4	\$21.7	\$4.7	\$155.6
Local Government Share	\$25.2	\$24.4	\$15.4	\$9.6	\$12.6	\$87.1
Grand Total	\$75.7	\$69.8	\$48.8	\$31.3	\$17.3	\$242.7

ABA's Keith Leggett tracks the financial performance of America's credit unions. Below are the net income figures for South Dakota's credit unions over a comparable period of time.

(\$ Millions)	CY2007	CY2008	CY2009	CY2010	CY2011 (6 months)
Net Income	\$13.1	\$13.2	\$4.9	\$4.5	\$7.1

Assuming that South Dakota's credit unions can earn another \$7.1 million in the second half of CY2011, their five-year net income would total about \$50 million. If they were paying state franchise tax on that amount, South Dakota's state and local governments would have had another \$3 million to fund important state and local government services. Similarly, South Dakota's credit unions would have contributed more than \$17 million to the federal treasury. Nationally, it is estimated that the credit union's federal income tax exemption costs the U.S. Treasury about \$1 billion per year.

The tax disparity rightfully rubs bankers the wrong way. Given the current situation with the federal budget and the national debt, one would think it should rub anyone who pays taxes the wrong way as well. A banker who serves as a volunteer leader of a national banking trade association has often asserted that anyone working 40 hours per week earning minimum wage paid more in federal tax than the entire credit union industry. It has also been suggested that this observation should be used as the basis for a printed advertisement which should be widely placed in an effort to shed light on this inequity.

Such an ad may be a great idea, but I think we need to answer a couple of questions first.

1. Who is the primary audience for that message - members of Congress, the public at large, or both?
2. Who should deliver that message - bankers, concerned taxpayers, or both?

I believe that for the issue of credit union taxation to receive a fair debate in Washington, D.C., people other than bankers are going to have to engage with members of Congress. If bankers alone push the issue, then our efforts are viewed as self-serving. But, if members of Congress start to hear concerns from a broader constituency, perhaps the message might be received differently in D.C.

Continued on page 21

Meet SDBA's Newest Employee – Mike Zolnowsky

By Mike Feimer

President, South Dakota Bankers Insurance & Services Inc.



It is with great anticipation that we welcome Mike Zolnowsky to South Dakota Bankers Insurance & Services Inc. (SDBIS). This addition rounds out the complete insurance offering to our banking members. Providing a one-stop shopping for all insurance risk products will keep SDBA

in the forefront and provide seamless service that our members have grown use to.

Zolnowsky's experience and knowledge of the commercial banking world is unmatched in South Dakota, and I will be learning right along side of him. As everyone knows, providing insurance products is complicated, and each discipline mandates a great deal of expertise. SDBIS is committed to providing all our member banks with the most up-to-date products and knowledge about your choices. I am looking forward to the year ahead.

By Alisa DeMers, Editor

Most bankers across South Dakota know Mike Zolnowsky from his years serving their financial institution insurance needs.

Zolnowsky has now joined the SDBA as an insurance lines specialist for South Dakota Bankers Insurance & Services Inc. (SDBIS), the SDBA's for-profit side.

Zolnowsky first began working in the insurance industry after answering an ad in the newspaper while attending South Dakota State University in Brookings in the early '90s.

"I answered one of the those ads in the newspaper – make a \$100,000 a year, no experience necessary, we will provide all the training," Zolnowsky joked.

In his first insurance job, he sold retirement plans – an interest sensitive whole life policy with an annuity. His next job was with Capital American going door-to-door selling accident plans to farmers.

After working for these two companies for approximately a year, Zolnowsky began working for a local insurance agency in Brookings where he sold all lines of insurance – personal and commercial lines, long-term care and Medicare supplements.



Zolnowsky's next job was with Norwest Bank (now Wells Fargo) in Huron and Aberdeen selling all lines of insurance, including crop insurance. Zolnowsky also worked a short time for Farmers and Merchants Bank and Trust in Watertown (now Great Western Bank).

His next move was to Pierre, where he grew up and lived through the seventh grade before moving to Madison. Zolnowsky planned to work for Farm Bureau but then had the opportunity to work for BancInsure.

"I thought, 'Sure, I can insure banks.' I had worked with banks my whole life and within banks," he said. "While I had a lot to learn, I at least had some general knowledge."

During his eight years with BancInsure, Zolnowsky's territory changed several times. While based in South Dakota, he sometimes covered North Dakota, Nebraska and Colorado, and he periodically serviced Minnesota, Wyoming and Montana. He sold insurance specific to financial institutions such as financial institution bond, directors and officers liability, excess deposit bond, and property and casualty.

"One of the best things about insuring banks as compared to my old job working at a bank was that all of my big contractors had huge accounts receivables. I was always being told to go collect on my huge commercial accounts," he reflected. "Insuring banks, I have no accounts receivables. They all pay their premiums, and there are no collections."

While Zolnowsky's office has been located in the SDBA office in Pierre since he joined BancInsure, he officially began working for the Association on Nov. 14, 2011. Zolnowsky will be handling many of the same types of insurance for financial institutions as he did while working for BancInsure. He would also like to offer banks some new products, such as seminar selling for long-term care.

"I am looking forward to having the ability to do more things for our members banks, to create revenue for the SDBA, and to ultimately help keep dues down for the member banks," he said.

During his time in the industry, Zolnowsky said he has seen a change in bankers' needs due to a changing environment and landscape.

"There is a lot more regulation and a lot more regulatory orders out there," he commented. "This has gotten everyone more concerned about their coverage. Before, bankers felt that they paid for a premium for something that they would never use. Now, they want to know exactly what they are buying."

When he is not working, Zolnowsky enjoys spending

Continued on page 22

FinCrime Ceases Operations, SDBA To Send Electronic Protective Alerts

FinCrime – the financial crime reporting network and website sponsored by the South Dakota Bankers Association (SDBA) and 11 other state bankers associations – ceased operations effective Dec. 31, 2011.

FinCrime was very successful in the initial years, but over the last few years the number of crime incidents being posted to the website has been declining. The decline had reached a point that the sponsoring associations felt the member benefit no longer justified the resources required to keep FinCrime operating.

We appreciate your support of FinCrime in the past. As a replacement to FinCrime, the SDBA will now electronically distribute protective alerts to its members via email. The SDBA has created a distribution list containing all member bank CEOs and branch managers, those who were registered with FinCrime, and anyone else who has requested to receive protective alerts.

Register to Receive Protective Alerts:

If you would like to receive electronic protective alerts

via email, you can register and create a profile with the SDBA at www.sdba.com. Select the box “Subscribe to Protective Alerts.” If you are already a registered online user with the SDBA, you can log in and edit your profile to receive protective alerts.

Post a Protective Alert:

If you feel that your bank has been the subject of an attempted scam, please contact us and we will notify SDBA members in order to minimize their losses. Alert information can be sent to the SDBA office via email to ademers@sdba.com or by fax to (605) 224-7835. Please include all pertinent information and also list a contact person and phone number or email address.

If you have any questions about registering to receive or posting a protective alert, contact Alisa DeMers, SDBA, at (800) 726-7322 or (605) 224-1653.

Note: This is the FinCrime Network, not FinCen. This doesn’t impact your reporting obligation under FinCen. ■

New SDBA Associate Member

The SDBA Board of Directors recently approved EverFi, Inc. as an associate member. The SDBA encourages member banks to utilize the products and services offered by its associate members.

EverFi, Inc.

Contact: Cody Lycke, Director of Midwestern Operations

Address: 2715 M. St. NW, Suite 400, Washington, DC 20007

Phone: (319) 290-9804

Email: cody@everfi.com

Website: www.everfi.com



EverFi is an education technology company building and operating the nation’s largest network for K-12 online education in

areas such as financial literacy, student loan management and other key life skills. EverFi teams with major corporations as well as community banks to provide the program at no cost to the schools. With a network of more than 3,000 schools across all 50 states, EverFi is equipping the 21st Century classroom with the tools to teach, assess and certify today’s digital natives.

To view all associate members, visit www.sdba.com. ■

2011 Bank Salary and Fringe Benefit Survey Now Available

The 2011 South Dakota Bank Salary and Fringe Benefit Survey is now available. Each year, Eide Bailly LLP conducts a survey of South Dakota banks to obtain valuable information on compensation and fringe benefit programs in banking.

This 65-page report contains information from 17 participating banks on 45 common positions in a community bank. It will provide you with reliable information to compare your bank’s compensation and fringe benefit programs with other comparable banks.

The cost for the survey is \$300 for members or \$500 for non-members. Banks who participated in the survey received a complimentary copy. To order a copy, visit www.sdba.com or call the SDBA at (800) 726-7322. ■

2012 Bank Directory Coming Soon

The 2012 South Dakota Bank Directory will be available in January. Each SDBA member bank, branch and associate member will receive one complimentary copy.

Additional copies may be purchased from the SDBA. The cost for SDBA members is \$25 per directory plus tax and shipping, or \$20 a copy for multiple copies. The non-member cost is \$40 per directory plus tax and shipping, or \$35 a copy for multiple copies.

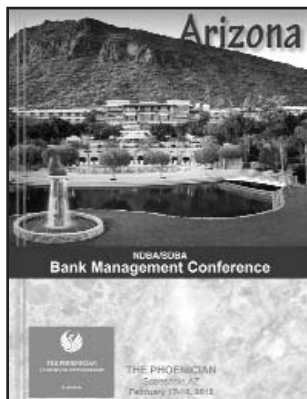
To order additional copies, visit www.sdba.com or call the SDBA Office at (800) 726-7322. ■

Share Ideas and Strategies at 2012 NDBA/SDBA Bank Management Conference

Make plans to attend the 2012 NDBA/SDBA Bank Management Conference on Feb. 17-18 at The Phoenician in Scottsdale Ariz.

This year's conference has been designed to provide timely information on trends in financial services technology, best practices of leading community banks, an economic outlook for 2012, and valuable insight into leading high-performing teams. In addition, SDBA/NDBA leaders will review important government relations issues facing member banks.

With regulatory changes bombarding the industry, bankers are seeking opportunities to gain strategic information and network with colleagues more than ever. With all the issues the industry is facing, it is crucial to come together as bankers to share ideas and strategies.



Conference Sessions

- **"The Next-Gen Community Bank"** by Steve Williams, Cornerstone Advisors, Scottsdale Ariz. – In the midst of the rubble of the recent financial crisis and the painful noose of regulation, a new breed of financial institution is beginning to rise. These future-looking players are preparing to take advantage of a move away from "too-big-to-fail" concentrations of power and a playing field in which many of the weakest players have been weeded. Williams will discuss key characteristics of the forward-looking institutions that will prosper in the next era of banking. He will review how delivery channels will change, how payments competition will unfold and how new frontiers of efficiency will be gained.

- **"Challenging the Bank Performance Model"** by Bob McGoffin, Scottsdale, Ariz. – The community banking model is changing and with it are many opportunities to generate revenue to offset the risk management issues. This presentation will focus on the five master strategies of interest income, interest expense, non-interest income, ratio and credit quality. Best practices will be presented, along with proven implementation techniques used by community banks. Attendees will take away action plans that can be implemented in their bank.

- **"The President's Economic Agenda Through the Election"** by Dr. Stephen Happel, Arizona State University, Phoenix, Ariz. – Dr. Happel will provide a very quick review of the Blue Chip forecasts for 2012 and 2013 and what they would mean for North Dakota. Then he'll give his perspective on the world economy and consider where the U.S. fits in at the moment. The

remainder of the presentation will be devoted to the two parties' economic platforms and how the campaign might play out.

- **"How to Tune Up Your Team to Do Anything! (No Matter What)"** by Colleen Kettenhofen, Colleen Kettenhofen and Associates, Phoenix, Ariz. – In this interactive program, we'll explore how to get your team on board to accept change, embrace accountability and achieve measurable results. Kettenhofen provides practical insights that can be put in place immediately to manage and motivate the "gossips, whiners and drama employees" in every generation and every workplace.

Special Events

- **Welcome Tea Hosted by Jane Clayburgh** – In the English tradition, afternoon tea is served daily in the Lobby Tea Court. Full tea includes finger sandwiches, scones with Devonshire cream and preserves, pastries and a selection of fine tea blends. Jane Clayburgh, wife of NDBA President and CEO Rick Clayburgh, will host a "Welcome to The Phoenician" Afternoon Tea.

- **Breakfast and "Paint The Desert" Workshop** – Guests will paint along with local artist Beth Zink to create a small landscape on canvas. Instruction is simple and based on Zink's philosophy of teaching adults in a relaxed atmosphere with enthusiasm and humor. Zink provides a pre-sketched canvas and all supplies. Students learn basic painting techniques, and the landscapes are completed in class to be taken home as a memento.

- **Optional Golf Tournament at The Phoenician Golf Club** – Contoured out of the beauty of the spectacular Sonoran Desert, The Phoenician features a 27-hole championship golf course that inspires your spirit of adventure. Designed by Ted Robinson, Sr. and Homer Flint, The Phoenician's three diverse nine-hole courses create 18-hole combinations for the challenge and fun you crave. Join us for the optional Friday golf event, when we'll play the Desert and Canyon courses.

Accommodations

This year's conference hotel is The Phoenician, Arizona's premier AAA Five Diamond resort. For decades, The Phoenician has set the standard for timeless luxury and sophistication in the Southwest, with impeccable service and a striking location. Explore the possibilities at The Phoenician and discover the treasures that await. Stroll through the stunning two-acre Cactus Garden, enjoy a complimentary audio art tour showcasing selections from the \$25 million collection, or pamper yourself at the Four-Star Centre for Well-Being spa.

The registration deadline is Jan. 25, 2012. For more details, visit www.sdba.com. Questions, contact Dorothy Lick, NDBA, at (701) 223- 5303. ■



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Banks Reminded that Tribal ID Cards Serve as Valid ID

The SDBA reminds banks that tribal identification cards are a valid form of identification for all purposes relating to banks or financial institutions for which a South Dakota nondriver identification card or a South Dakota driver license may be used.



The use of tribal identification cards as the equivalent of certain state-issued documents for identification purposes was approved by the 2011 South Dakota Legislature. Questions regarding the new law were raised during a recent SDBA meeting.

According to SDCL 1-54-7, tribal identification cards shall be accepted as valid forms of identification for the purpose of cashing checks wherever checks may be cashed. A tribal identification card is an unexpired identification card issued by a South Dakota tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that

contains the legal name, date of birth, signature and picture of the enrolled tribal member.

According to SDCL 2-40-18, no person may:

1. Possess any cancelled, fictitious, fraudulently altered or fraudulently obtained tribal identification card.
2. Lend the person's tribal identification card to any other person or knowingly permit its use by another.
3. Display or represent a tribal identification card not issued to the person as being the person's card.
4. Photograph, duplicate or in any way reproduce a tribal identification card or facsimile thereof in such a manner that it could be mistaken for a valid identification card.
5. Use a tribal identification card that was obtained by false swearing, fraud or false statement of any kind or in any form.

A violation of this section is a Class 1 misdemeanor.

For more information on the new law, visit <http://legis.state.sd.us/>. ■



Starlit Wonderland

The South Dakota Bankers Association sponsored a tree for the annual Christmas at the Capitol in Pierre. The SDBA's blue and white tree was decorated by the Benevolent Patriotic Order of DOES.

This year's display included nearly 100 trees that were decorated by volunteers from communities, schools, churches, nonprofit organizations and government offices from across the state. The 2011 theme was "Starlit Wonderland."

Instead of sending Christmas cards to its members this year, the SDBA made a donation to Pierre Area Referral to help provide Christmas meals to those less fortunate in the Pierre area and donations to local service organizations Missouri Shores Domestic Violence Center and Paws Animal Rescue. The donations were made on behalf of the SDBA's member banks and branches in South Dakota. ■



At left is the SDBA-sponsored Christmas tree at the State Capitol in Pierre



SDBA State Legislative Conference, Reception & Dinner

February 8, 2012 ★ Ramkota RiverCentre ★ Pierre, SD

Featured Speaker



Samuel D. Kahan

Samuel D. Kahan is president of Kahan Consulting Ltd., a company organized to provide economic and strategic input to businesses, financial institutions and governments.

Kahan has had a varied career. Prior to forming the company, he was senior economist at the Federal Reserve Bank of Chicago's Detroit Branch. Keeping tabs on developments in the local economy

was his primary focus of attention. In addition to the automobile industry, Kahan followed developments in the banking and financial industries, health care, IT and gambling. The globalization of product markets and the shift to international ownership of companies was also an area of interest.

Before joining the Federal Reserve System, Kahan was president of A.S.K. Financial Research, Ltd. The company, based in Chicago, was organized to provide micro and macro-economic consultancy to business, financial institutions and governments, particularly in the fields of economic analysis and financial markets. He produced the ASK Weekly Business Barometer, a measure of the pace of US economic activity.

Prior to establishing A.S.K. Financial Research, Ltd., Kahan was senior vice president and chief economist at Fuji Securities Inc., a primary dealer in U.S. government securities and the subsidiary of Fuji Bank. Kahan has also served as vice president and director of financial futures for Heinold Commodities, Inc. and money market economist for Citibank's Money Market Division.

He is a frequent presenter at international conferences and roundtable discussions on economic and policy issues.

Conference Schedule

- 8:30 am **SDBA Board Meeting**
- 10:00 am **SDBA Legislative Committee Meeting**
- 11:30 - 12:00 pm **Conference Registration**
(RiverCentre Lobby)
- 12:00 - 1:30 pm **Luncheon and Banking Legislation Review**

- **Kevin Tetzlaff**, SDBA Legislative Committee Chairman, First Bank & Trust, Brookings
- **Brett Koenecke**, SDBA Counsel & Lobbyist
- **Curt Everson**, SDBA President & Lobbyist

1:30 - 2:30 pm **View from the Executive Office**

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

2:30 - 3:30 pm **An Economic Outlook for South Dakota, the Region and Beyond**

- **Samuel D. Kahan**, President
Kahan Consulting, Ltd.

3:30 pm **Visit with Legislators at the Capitol**

6:00 pm

Legislative Reception

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

7:00 pm

Legislative Dinner & Business Plan Competition Awards

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

Hotel Information

A block of rooms has been reserved at the Ramkota Hotel for the evenings of Tuesday, Feb. 7, and Wednesday, Feb. 8. Request a room from the South Dakota Bankers Association block to qualify for the special conference rates of \$106.99/single or \$116/double. The room block will be released Jan. 18, 2012.

Registration Fee

The registration fee for the luncheon and afternoon program is \$99 per person. The registration fee for the evening reception and dinner is \$85 per person. The on-site fee per person is \$110/afternoon; \$99/evening.

More Information

For more information, call the SDBA Office at (605) 224-1653 or (800) 726-7322. Or visit www.sdba.com and click on Calendar of Events.





Governor Outlines State Budget Proposal for Next Fiscal Year

Gov. Dennis Daugaard has proposed a balanced fiscal year 2013 budget that provides more money for education, medical services for the poor, and state employees.

Due to the national recession and declining state revenues last year, it was necessary to make significant cuts in funds for schools and Medicaid providers in order to balance the budget without raising taxes or raiding reserve funds. That re-setting of the state budget, along with improved revenues this year, will allow modestly increased spending next year.

“By being frugal, we have successfully achieved a new normal and can more optimistically plan for the future,” Gov. Daugaard said. “Belt-tightening is never easy, and I again thank the Legislature for adopting a Fiscal Year 2012 budget that set the stage for a brighter future as the economy improves.”

Gov. Daugaard outlined his new budget proposal in an address to the South Dakota Legislature on Dec. 6, 2011. The measure balances the next budget for essential state services without increasing taxes.

“This year, we can consider proposals about new growth and new ideas. Still, even as we have begun to recover, it is crucial that we remain true to maintaining a structurally-balanced budget based on conservative revenue estimates,” the Governor said. “If we don’t, we risk a return to an era of ongoing expenses exceeding ongoing revenues.”

Among highlights of the Governor’s proposed fiscal year 2013 budget, which begins July 1, 2012, and ends June 30, 2013:

- K-12 education would receive a 2.3 percent ongoing increase, coupled with an extra \$12 million one-time investment.
- Medicaid providers would receive a 1.8 percent ongoing

increase, coupled with an extra \$9 million in one-time funds.

• All permanent state employees would receive a 5 percent one-time payment this fiscal year and an ongoing 3 percent increase in the next fiscal year.

• \$20.2 million in reserve funds would be used to pay for the historic Missouri River flooding this past spring and summer and the looming threat of devastation by pine beetles in the Black Hills.

Gov. Daugaard’s FY2013 budget proposal, totaling \$4.047 billion, would use general tax revenues of \$1.243 billion, \$1.770 billion in federal funds, and \$1.033 billion of other state revenue sources.

“My proposed budget heeds the principles I put forth last year: Ongoing revenue pays for ongoing expenses, one-time funds pay for one-time expenses, and reserve funds are used only for emergencies,” the Governor said.

Recent national rankings released by three different organizations prove that South Dakota has one of the best business environments and among the strongest economic policies in the nation. For the seventh year in a row, the Small Business and Entrepreneurship Council named South Dakota the number one state in the nation for friendliness toward small businesses.

“In South Dakota, we work hard to preserve a hospitable environment for our citizens and businesses. This study shows we’re doing a great job and creating the proper climate to help our economy emerge from difficult economic times,” Daugaard said.

The American Legislative Exchange Council ranks South Dakota second in the nation for its economic outlook and 11th in the nation for its economic performance in the council’s Rich States, Poor States, ALEC-Laffer State Economic Competitive Index. ■

2012 Session Calendar

Jan. 10	Session opens.
Jan. 16	Martin Luther King Jr. Day Holiday
Jan. 17	Executive orders filed.
Jan. 19	Last day for unlimited bill and joint resolution introduction.
Jan. 20	All bill drafts with sponsors due back in LRC by 5 pm.
Jan. 24	Final day to introduce individual bills and joint resolutions.
Jan. 25	Final day to introduce committee bills and joint resolutions.
Feb. 10	Last day to use Joint Rule 5-17.
Feb. 13	Last day to move required delivery of bills or resolutions from committee to the house of origin.
Feb. 14	Last day for a bill or joint resolution to pass the house of origin.
Feb. 20	President’s Day Holiday
Feb. 23	Final day to introduce concurrent resolutions.
Feb. 24	J.R. 5-13 in effect.
Feb. 27	Last day to move required delivery of bills or resolutions from committee to the second house.
Feb. 28	Last day for a bill or joint resolution to pass both houses.
Feb. 29	Last day to introduce commemorations. Reserved for concurrences or conference committees.
March 1	Reserved for concurrences or conference committees.
March 2	Reserved for deliberation.
Mar. 19	Reserved for consideration of gubernatorial vetoes.

SDBA Prepares for 2012 Session

The SDBA Board of Directors and Legislative Committee met on Dec. 8, 2011, in Pierre to discuss potential legislation for the 2012 Legislative Session.

Topics discussed included insured cash sweep services for local government funds, ag input provider liens for unpaid accounts, perfection of security interests on titled vehicles, garnishments paid directly to collectors, ag operating loan limits, and a shortening of the unclaimed property dormancy period.

Stay current on legislative issues of importance to the banking industry this session by reading the SDBA's *Legislative Update* and *Legislative Bill Watch*. The *Legislative Update* is a recap of weekly key legislative action. The *Bill Watch* tracks the status of bills which the SDBA is monitoring.

Publications will be distributed electronically each week and posted



From left, SDBA Chairman Bruce Byrum, First Interstate Bank, Spearfish, and SDBA President Curt Everson.

on the SDBA's website. To receive these publications via email, register and create a profile with the SDBA. Select the box "SDBA Legislative Update and Bill Watch." If you are already a registered online user, you can log in and edit your profile to receive these publications.

Questions, contact Alisa DeMers at (800) 726-7322 or (605) 224-1653. ■

★ SDBA Legislative Committee Members ★

Chairman: Kevin Tetzlaff, First Bank & Trust, Brookings

Staff Member: Curt Everson, SDBA, Pierre

Term Ending April 30, 2012

- Bill Fuchs, First National Bank, Pierre
- David Nelson, First Fidelity Bank, Platte
- Darrell Schmith, First PREMIER Bank, Sioux Falls
- James Wefso, Security First Bank, Rapid City

Term Ending April 30, 2013

- Marcia Honomichl, Commercial State Bank, Wagner
- Philip Johnson, The First National Bank in Sioux Falls, Sioux Falls
- Barry Martin, U.S. Bank NA, Sioux Falls
- Michael Ness, First Dakota National Bank, Sioux Falls

- Robert Nicholson, First Interstate Bank, Rapid City
- Mike Owens, Sunrise Bank Dakota, Onida
- Ray Smith, First National Bank in Philip, Philip

Term Ending April 30, 2014

- Patrick Burchill, U.S. Bank NA, Rapid City
- Chandra Burgher, American State Bank, Pierre
- Bradley Moore, Dacotah Bank, Aberdeen
- Shawn Rost, First Interstate Bank, Deadwood
- Robert Rutten, Citizens State Bank, Arlington
- Grant Seaman, First State Bank of Warner, Warner
- Paula Wagner, First Bank & Trust, Brookings

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Top Nine Excuses for Not Cross-Selling to Your Customers

Six Reasons Why Marketing with a TV in Your Lobby May Be the Best Investment You Make in 2013

By Brian Robinson

VP Sales/Marketing, Works24 (formerly BankOnHold)

If you even faintly suspect you may be missing opportunities to help your customers see the benefits of the other products and services you offer, then this may be the most important article you read.

After working with thousands of community banks around the country, I have compiled the top nine excuses for why cross-selling typically doesn't happen:

1. "We tried that once and it didn't work."
2. "Cross-selling? Are you kidding? We are too busy with compliance to even think about doing that."
3. "We feel it is wrong to 'sell' to our customers."
4. "Our frontline staff just won't do it."
5. "It takes a full-time employee to effectively implement and track cross-selling efforts, and we aren't going to make that investment."
6. "We love our community bank feel and don't ever want to be like the 'big banks.'"
7. "We didn't hire salespeople, we hired tellers."
8. "We've done well for years without it."
9. "Our customers know how to ask for something if they want it."



When I ask bank presidents, marketing directors or the board to rank their effectiveness in cross selling from one to 10, the answer I usually hear is "three." So, I don't think anyone would disagree that most banks have room for improvement.

Recently, I spoke with the marketing director of one of the most successful community financial institutions in the country. What she said about cross-selling and its culture was very telling. The attitude of the leadership and employees was that they have an "obligation" to "help" their customers know about the different products and services they offer because if they don't do it, somebody else will.

So, if you are not going to rely on your frontline staff to help your customers know about the other products and services they might benefit from, what do you do?

Here's the answer.

One of the fastest, easiest, most cost-effective ways to help your existing customers know about the other products and services you offer is with a TV in your lobby where you control the content.



There are six reasons why:

1. A well-placed TV in the lobby naturally draws attention.
2. You can use short-term promotional programs to easily generate leads for other products without any cross-sales training of your frontline staff (we can show you how).
3. You decide what you want your customers to see instead of the cable news channel (and you won't risk advertising another financial institution's products in your lobby).
4. Your content is automatically updated so it doesn't become stale.
5. You can virtually eliminate printed marketing material that becomes outdated.
6. Proven return on investment (we can show you).

To find why marketing with a TV may be the best investment you make in 2012 go to www.YourLobbyTV.com or call Brian Robinson with Works24 (formerly BankOnHold) at (405) 205-9538 or email brobinson@works24.com. ■

Works24 (formerly BankOnHold), an SDBA endorsed vendor, is the leading provider of on-hold phone messaging and music services exclusively for banks and financial institutions. For more information, contact Brian Robinson, VP Sales/Marketing, at (405) 205-9538 or brobinson@works24.com.

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Fighting for Examination Relief

By Frank Keating
President/CEO, American Bankers Association



We're urging bankers to write their representatives and ask them to co-sponsor the bipartisan examination relief bill introduced by House Financial Services Financial Institutions Subcommittee Chairman Shelley Moore Capito (R-W.Va.) and Ranking Member Carolyn

Maloney (D-N.Y.)

The Financial Institutions Examination Fairness and Reform Act (H.R. 3461) would take a major step toward a more balanced and transparent approach regarding how, and on what basis, decisions are made by the regulatory agencies in the examination process.

The bill would also address some examiner decisions that have effectively and unnecessarily reduced the amount of capital available for increased lending – particularly to small businesses

ABA worked closely with bankers and the South Dakota Bankers Association in raising issues that the Capito-Maloney Bill would resolve as well as offering recommendations.

You've told us that the reasons for certain decisions regulators make during the examination process have not been clear. You've also reported that some examiner decisions have effectively and unnecessarily reduced the amount of capital available for increased lending – particularly to small businesses. This hurts your banks' abilities to help local businesses grow and create jobs.

The Capito-Maloney Bill would address these concerns by requiring, among other things, more timely examination reports; more information about the facts the agency relied upon to make its exam decisions; and more precise, consistent and understandable classification standards for commercial loans.

The legislation also would create a new, independent inter-agency ombudsman within the Federal Financial Institutions Examination Council to ensure the consistency and quality of all exams, and it would institute an expedited process for banks to appeal examination decisions without fear of reprisal.

Working together, bankers, state associations and ABA have identified the problems and recommended a workable, practical solution. This is how we do things. We focus on legislation that is passable, is backed by solid, credible arguments, and will make a real difference for the industry. The Capito-Maloney Bill certainly meets those tests. Now, we have to fight for it. (Feels good to be fighting for something, doesn't it?)

Write to your representatives (click on the "Action Alert" icon on ABA's home page at www.aba.com) and urge them to co-sponsor the bill. And don't forget to join us in Washington for ABA's Government Relations Summit March 19-21, 2012, where we will continue to advance our industry's advocacy goals and priorities. (Read more about the ABA's Government Relations Summit on page 4 and see the ad on the back cover.) ■

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Frank Keating is president and CEO of the American Bankers Association (ABA). You can reach Keating at keating@aba.com.



Basic IRA Contribution Rules

By Mike Nelson

SDBA's Endorsed IRA Training & Audit Provider



As we welcome in the new year, it is that time of year where we all think about our 2011 tax return and whether we should contribute into our Traditional or Roth IRAs.

Some individuals have been contributing into their employers retirement accounts, such as 401(k)s or 403(b)s, but only 48 percent of all workers in the United States have access to an employer retirement account. This means the only tax-advantaged retirement account these people have access to is their Traditional or Roth IRAs. Hopefully, we can help share and educate the general public on the advantages of using IRAs as a part of achieving retirement financial security.

Here is a list of some basic IRA contribution rules.

- Must have earned income.
- Earned income for the self-employed is that they show a profit.
- For the 2011 tax year, the contribution deadline is April 17, 2012.
- For individuals receiving a tax refund, it can be direct deposited into a Traditional or Roth IRA.
- A farmer using the March 1 tax filing deadline still has until April 17, 2012, to make his or her 2011 contribution.
- The contribution limit for both the Traditional and Roth IRA for 2011 is \$5,000, "catch-up" age 50 and over an extra \$1,000.
- The contribution limit for both in 2012 will again be \$5,000, and the "catch-up" provision being \$1,000.

- When a person reaches age 70.5 and still has earned income, he or she can no longer contribute to a Traditional IRA, but the individual is allowed to contribute into a Roth IRA.
- A spousal contribution is one when one person has earned income and wants to fund an IRA for his or her spouse who has little or no earned income. One can as long as he or she files a joint tax return.
- Traditional IRA – deductible or non-deductible? This is based on if the IRA accountholder is an active participant in an employer-sponsored retirement plan. If yes, then income and how the income tax return is filed will come into play. If no, the accountholder can receive a deduction regardless of his or her income.
- The income limits to determine deductibility will change each year due to cost of living adjustments.
- Remember, in a Roth IRA there is no deductibility, but there is income limits that determine if a person can contribute or not.

It is important that those working in financial institutions learn the rules and regulations that pertain to IRAs, but remember we do not interpret the rules and regulations. That is the responsibility of the accountholder and tax preparer. There is a difference between knowing and sharing the rules versus interpreting them. ■

Mike Nelson is the SDBA's endorsed IRA training and audit provider and president of JM Consultants. You can contact Nelson at (218) 831-1858 or m88nelson@hotmail.com.

Advance Your IRA Training in February

Recent industry studies show that more than 40 percent of U.S. households own IRAs, rollovers from employer-sponsored retirement plans account for most of the growth in IRAs, and almost half of the people who roll over their retirement plan balances into IRAs do so with a financial organization that services their other accounts. These facts emphasize the need for IRA administrators to fully understand IRA compliance rules, as well as how they can best serve – and retain – their existing clients.

The SDBA is offering the Advanced IRAs Seminar on Feb. 28, 2012, in Pierre and Feb. 29, 2012, in Sioux Falls. Through hands-on training and peer discussions, this informative seminar will concentrate on challenging IRA compliance and operation issues, so you can

confidently service your clients' complex needs.

Topics include document amendments, pro rata distributions, beneficiary options, federal income tax withholding requirements and portability. The seminar will close with a discussion of common legal issues that you may encounter in your day-to-day IRA operations.

IRA administrators, personal bankers and member services personnel who have a working knowledge of basic IRA operations and wish to expand their expertise and provide enhanced customer service should attend. The seminar is also for financial professionals who recognize that IRAs play an integral role in retirement planning, seasoned IRA professionals and compliance personnel. For more details and to register, visit www.sdba.com or call (800) 726-7322. ■

GSB Expands Bundled Online Seminars

Students Save with Multi-Program Discounts on Popular Educational Topics

GSB's popular Online Seminar Series will deliver programs on nearly 100 bank-specific topics in 2012, and students will find an expanded curriculum that includes a greater choice of money-saving, multi-part program series on some of today's most critical banking issues.

While individual programs can still be purchased separately, program bundles offer savings of 10 to 15 percent, on average, and allow bankers the opportunity to explore important topics in-depth while stretching their training budgets. Online registration is now open for these programs. Bankers can use convenient one-click registration to sign up for topic-specific training suites in the following key bank management areas:

- **HR Management** - Six-program suite includes eight hours of instruction on Delegating for Effectiveness, Handling Conflict in the Workplace, Interviewing Skills, Managing Generations in Today's Workplace, Recruitment and Retention in a Recovery Labor Market, and Eight Habits of Effective Bank Managers.

- **SBA Lending** - Series of five, one-hour programs includes Opportunities in Government Guaranteed Lending, SBA 504/CDC Loan Guaranty Program, SBA 7(a) Loan Guaranty Program, SBA Express Loan Programs, and SBA Guaranteed Small Business Lending.

- **Marketing** - Four-program bundle with five hours of instruction includes Creating Compelling Advertising for Community Banks, Leveraging the Power of the Mobile Device, Money-Saving, Money-Making Marketing Ideas, and Taking Social Technology to the Next Level

-Beyond Facebook.

- **Relationship Banking** - Seven-program series with eight hours of instruction includes Five Mistakes Bankers Make on Sales Calls, Build an Effective Referral Program in 60 Days, Effective Commercial Business Development Programs, Focused Relationship Development, Leading the Prospecting Effort, Managing the Customer Experience, and Recipe for an Effective Sales Environment.

- **Technology - Business Continuity and Disaster Recovery** - Series of four, one-hour programs includes 10 Proven Steps to Building an Effective Plan, Conducting a Business Impact Analysis the Right Way, Executing a Mock Disaster Drill, and Proven Disaster Recovery Strategies.

- **Technology - IT Security** - Series of four, one-hour program series includes Mobile Device Security Best Practices, Hacking Headlines, Penetration Testing: Start to Finish, and Proactive IT Security Self-Defense.

- **Technology - IT Management** - Six-program series with nine hours of instruction includes Five Steps to a Successful IT Risk Assessment, Incident Response Programs, IT Audit for Community Banks, Security Awareness and Social Engineering, The Risks of Corporate Account Takeover, and Understanding the Mysteries of Remote Deposit Capture.

- **HSA Training** - Two programs, three hours of instruction on HSA Basics and Advanced HSAs.

To learn more about the Graduate School of Banking at the University of Wisconsin and the topics available in the GSB's Online Seminar Series, visit www.gsb.org. ■

Administrative Appraiser Review Training for Non-Appraisers

The South Dakota Chapter of American Society of Farm Managers and Rural Appraisers will hold a new seminar for the non-appraiser - Administrative Appraisal Review for Non-Appraisers. This one-day training, to be held March 13, 2012, in Sioux Falls, will focus on the finance industry and legal profession, with USPAP and FIRREA related appraisal issues.

This seminar is intended to provide the non-appraiser - such as loan and credit underwriters, accountants, lawyers and bank examiners - insight into the appraisal and appraisal review process. It will cover USPAP appraisal standards, types of appraisal reports, ordering appraisals, appraisal licensing, how appraisals are documented and supported, types of appraisal reviews, common errors, and completing administrative reviews.

Instructor

The instructor will be Chris Greenwalt, ARA, RPR, FRICS. Greenwalt recently retired as the national appraiser for USDA-NRCS (National Resource Conservation Service) after more than 36 years of service with the federal government. The primary focus of this position is development and implementation of the real estate appraisal process, acquisition and approval of real estate appraisals for use in purchasing conservation easements around the country for five different programs for the agency.

Registration

If you deal with the regulatory issues of the industry and want to learn about appraisal requirements, be sure to attend this one-day event. The registration fee is \$99, and the deadline to register is March 2, 2012.

For the registration form, visit the SDBA's online Calendar of Events at www.sdba.com. Questions, contact Brian Gatzke at brian.gatzke@northernplainsappraisal.com. ■



Graduate School of Banking

at the University of Wisconsin - Madison

Deadline Here for Ending Paper Savings Bond Sales

Treasury Updates Financial Institution Resources



With the end of over-the-counter sales of paper savings bonds on Dec. 31, 2011, financial institutions are encouraged to continue working with employees and customers during the transition to electronic savings bonds.

As a reminder, financial institutions must stop accepting applications for paper bonds after Dec. 31, 2011, but are encouraged to continue redeeming paper bonds for customers. The U.S. Department of the Treasury is offering some resources that will help prepare banks for their internal administrative processing requirements, as well as prepare customers for the move to electronic savings bonds. These include:

- An updated FAQ document that covers administrative topics, such as processing deadlines/procedures.
- Tip sheets for customers on how to set up a TreasuryDirect account or purchase savings bonds as a gift.

- Suggested messages you can share with customers in monthly statements or your financial institution's social media channels.
- A newsletter article you can distribute to inform employees about the change to savings bond sales.
- Web banners for use on your website or online banking site.

You can download these resources at treasurydirect.gov/instit/savbond/otc/otcendtoolkit.htm.

There are 670 million savings bonds in the hands of the public worth \$181 billion, so please continue to redeem existing paper savings bonds as a service to your customers. Your customers will appreciate being able to redeem their savings bonds at their own bank, and customers who redeem at your bank will have cash in hand to direct to products and services at your bank.

In addition to continuing to redeem paper savings bonds and informing customers about the changes to paper savings bond sales, please let them know they can buy, manage and redeem electronic savings bonds and other Treasury securities online, 24/7, at the Treasury Department's TreasuryDirect website at www.treasurydirect.gov. ■

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Be Aware of Warning Signs of Elder Exploitation

There are many “red flags” which can be potential signs of elder exploitation including:

- Unexplained large withdrawals or wire transfers.
- Withdrawing large sums of money at multiple locations in a short period of time.
- The elderly person reporting missing funds from their account.
- Misdirected account statements.
- Reported missing personal belongings.
- Someone accompanying an elderly person and seeming to control and direct decisions and transactions inappropriately.
- Inclusion of additional names on a signature card or adding a joint account holder.
- Abrupt changes to a trust or other operative document.
- New and suspicious legal documents.
- Sudden and unexplained increased borrowing.
- Frequent checks to telemarketers.
- Unnecessary or unusual home or vehicle repairs.
- Refusal to spend money on the care of the elderly person (unpaid bills, etc.).
- Signed checks when the elderly person cannot write or sign a check.
- Missing legal documents.
- Unauthorized use of an elderly person’s ATM or credit card.
- Bills being left unpaid despite having financial resources.
- Out-of-character overdrafts or insufficient funds notices.
- Suspicions of forged signatures.
- Suspicions regarding the validity of powers of attorney or other legal documents.
- The sudden appearance of previously uninvolved family members claiming rights to control and direct an elder person’s affairs.
- New and seemingly unnecessary services or payments.
- Closing CDs without regard to penalties.
- The financial institution is unable to speak directly with the elder, despite repeated attempts to contact him or her.
- The elderly person’s financial management changes suddenly (new powers of attorney).

- The elderly person lacks knowledge about his or her financial status.
- The elderly person seems afraid to discuss their financial affairs.

While these kinds of red flags could be indications of exploitation, there may be other reasonable explanations as well. The elder person may have recently made changes to their estate plan, may be spending down assets on long-term care costs, or may be unwilling to discuss their financial matters out of privacy concerns. If the elder individual appears disoriented, confused, or upset and additional circumstances suggest something may be amiss, it’s reasonable to suspect potential abuse or wrongdoing. ■

This information was provided by the Elder Law Committee of the South Dakota State Bar (2012).

Sources: Advisory Bulletin RN-2011-A003 of the Financial Crimes Enforcement Network of the U.S. Department of Treasury, the National Center on Elder Abuse, Administration on Aging, and Exploitation Indicators from the SD Department of Social Services, Adult Protective Services.

FinCEN Extends Deadline for Adopting New CTR, SAR

The Financial Crimes Enforcement Network said Dec. 20, 2011, that the deadline for banks to use its new Currency Transaction Report and Suspicious Activity Report will be extended from June 20, 2012, to March 31, 2013.

“FinCEN is extending the deadline partly in response to industry concern about having sufficient time to transition to the new reports, including any necessary changes to their internal processes and/or IT systems,” the

agency said in a press release.

“FinCEN had proposed that the new reports be implemented by June 30, 2012, the same date proposed for ending the paper filing option for FinCEN forms,” it added. “FinCEN expects this extended timeframe for incorporating the new CTR and SAR to ease the industry’s transition to these new reports.”

ABA in a Nov. 15, 2011, comment letter said FinCEN’s proposal to require the mandatory electronic filing of most Bank Secrecy Act reports by June 30, 2012, is a

massive, unwarranted expansion of BSA data collection masquerading as a paper-to-e-filing transition, and it should be withdrawn.

“[T]he serious flaws in the proposal extend far beyond the challenges faced by the hundreds of banks not acquainted with e-filing,” ABA said. “Instead, the proposal would impose on all banks dozens of new data elements with a corresponding multiplicity of systems conversions and compliance controls.” ■



Left to right: Troy Lage, Julie Bohling, Cindy Fredrich, Lori Norby, Daryl Halvorson and Alona Burtz.

SDHDA Recognizes Top Lenders

The South Dakota Housing Development Authority recognized the six top loan officers at the Annual Housing Conference in November.

The top loan officers and the regions they represent are: Troy Lage, Wells Fargo Home Mortgage, Sioux Falls, for area 1; Julie Bohling, Aberdeen Federal Credit Union, for area 2; Cindy Fredrich, Home Federal Bank, Pierre, for area 3; Daryl Halvorson, Great Western Bank, Milbank, for area 5; Alona Burtz, First Fidelity Bank, Winner, for area 6; and Lori Norby, CU Mortgage Direct, LLC, Madison, for areas 4 and 7.

"We recognize our top loan officers who consistently utilize SDHDA's First-time Homebuyer Program and help make this program successful," said Brent Adney, Director of Homeownership Programs. "SDHDA appreciates all their work and strong commitments to providing affordable homeownership opportunities for South Dakotans."

Loan officers from SDHDA participating lenders were divided into seven geographic areas by county population base and the number of SDHDA loans purchased to

determine the top producers.

The SDHDA Loan Officer Recognition Program is an annual honor designed to recognize those loan officers who consistently promote affordable housing by offering SDHDA programs. All together the seven top loan officers originated \$15.4 million in First-time Homebuyer Loans during this last year.

In addition, SDHDA also honored the top five lending institutions within the state. They are Wells Fargo Home Mortgage, First Bank and Trust, Great Western Bank, Home Federal Bank, and CU Mortgage Direct LLC. ■

Kaye DeYoung Joins Dacotah Bank



Kaye DeYoung has joined the Dacotah Bank, Aberdeen, trust department as a trust banker. DeYoung will specialize in the development of new trust business, the oversight of farm management business and the administration of account relationships. DeYoung is a graduate of Northern

State University, as well as the American Banker Association (ABA) National Trust School. She has served as a trust officer at U.S. Bank and Wells Fargo in Aberdeen and Rochester, Minn. She also worked at Mayo Clinic while living in Rochester. ■

Submit Your Bank Note

If you are an SDBA member bank or associate member, tell us about your new employees, promotions, community service projects, economic development efforts, honors and landmark anniversaries. Email your stories and photos to ademers@sdba.com or mail to: Alisa DeMers, SDBA, PO Box 1081, Pierre, SD 57501. ■

Is the Time Right to Push for Taxation of Credit Unions?...continued from page 5

But before any serious debate will ever commence in Congress, we must find some member of Congress who is willing to introduce a bill to put credit union taxation on the table. Our industry lobbyists in Washington, D.C., talk to members continually about the inequitable treatment of banks and credit unions in the tax code. But thus far, no member has volunteered to introduce a bill with credit union taxation in the title.

Last August, I asked Sen. Tim Johnson if he thought the issue of credit union taxation was appropriate for the agenda of Congress' bi-partisan budget super-committee. Sen. Johnson deftly declined to take a position on my suggestion. During the recent House Financial Services Committee debate over the House bill to increase credit union business lending authority, Congressman Ruben Hinojosa (D-Texas) dared to

suggest that increased business lending authority should be coupled with taxation. The credit union industry's negative reaction toward Hinojosa's suggestion was immediate and intense.

I honestly don't know if now is the right time to go on the offense on the credit union taxation issue in our nation's capitol. It is hard to imagine a time when the need for revenue in the U.S. Treasury could be any greater. But, fiscal issues and election year politics don't necessarily mesh well together. All I do know is that if members of Congress are going to be willing to raise this issue, the banking industry will have to be able to demonstrate that a sizable block of American voters will support such a move against the strident voices of the credit union faithful. To members of Congress, at the end of the day it is votes that matter. ■



Ag Banker (Wells Fargo Bank, Mobridge and Madison, S.D.)

Wells Fargo is currently seeking two ag bankers to join our business banking team. This key position will be responsible for soliciting, developing and maintaining profitable account relationships for the agriculture industry. The selected candidate will act as the relationship manager to existing customers, determine customer's commercial loan and deposit needs, and deepen existing customer relationships. The ag banker will assume the role of the customer's advocate in securing suitable credit and cross sells products. This position requires three years business banking, sales, and credit related experience. Negotiation, prospecting, portfolio management skills and accounting and/or finance acumen. To apply go to www.wellsfargo.com/careers, post completed profile to req # 3545919 Mobridge or req # 3544948 Madison. For additional information contact: Shauna Gill, senior recruiting consultant, at (435) 743-5296. ■

Beacom School of Business at the University of South Dakota

We cannot teach students the intricacies of banking as well as the providers of seminars and conferences referenced on the opposite page. But, we do teach students to think like business people. We believe the more bankers know about business, the better bankers they will be. We deliver graduates who: score in the top five percent on a national business exit exam, graduate from a university having the highest business accreditation in the world, grew up in the Great Plains, and want to stay in South Dakota. We offer bachelor's degrees in accounting, economics, finance, health management, human resource management, management and marketing and graduate degrees in business including the MBA (online, in Sioux Falls and in Vermillion); and MPA (online and in Vermillion). Call Sara Hansman, Manager of Employment Services and Internships, at (605) 677-5201 to set up interviews. ■

Business Banker (Dacotah Bank, Watertown)

Dacotah Bank remains one of the largest Dakota-grown, state-chartered banks in North Dakota and South Dakota. We are looking for an experienced self-motivated individual to join our team as a business banker in Watertown, S.D. This position manages relationships with community banking commercial customers; prospects and develops new customer relationships; retains and expands existing customer relationships. Experience with business lending and the ability to manage a diverse portfolio are preferred. This is a great opportunity to build your career in the business banking field. We offer an excellent benefits package, a competitive salary, and an enjoyable work environment. Apply at: dacotahbank.com/careeropportunities or Dacotah Banks, 1310 Ninth Ave SE, PO Box 207, Watertown, SD 57201-0207. Equal Opportunity Employer. ■

Seeking Ag/Commercial Lender Position

I am currently in ag business in the area with a sales/management background and have mortgage lending experience as well. I feel I am an excellent candidate with a strong ag background and am seeking a position with a tri-state bank as an ag/commercial lender. An SDSU graduate, I have 15 years of strong interpersonal and sales skills, as well as credit responsibilities. With a real estate mortgage lending background, I have management experience as well, with the ability to direct and mentor. My desire is to develop a long-term relationship with the bank clientele, as well as with bank management for possible succession planning. Originally from northwest Iowa, I have family ties in South Dakota and Minnesota as well. I feel I am a dedicated and knowledgeable individual capable of succeeding in new business development, both agricultural and commercial. Please consider me in confidence via fax (605) 361-1166. ■

If you have a job opening at your bank or something to sell, send your classified listing to ademers@sdba.com and we will post it in South Dakota Banker and on the SDBA website. This service is free to member banks. The fee is \$50 for non-members. (150 word limit.) Questions, call Alisa DeMers at (800) 726-7322.

Meet SDBA's Newest Employee – Mike Zolnowsky...continued from page 6

time with his two sons, who live in Parkston. Nick is a freshman in high school, and Alex is an eighth-grader. The trio enjoy hunting, fishing and camping. Zolnowsky and his sons do most of their hunting on the family farm, which is approximately a half-hour south of Pierre.

Zolnowsky's parents live in Madison, where he graduated from high school in 1991. His family also includes a brother in Vermillion and two sisters in Rapid City and Duluth, Minn.

A recent accomplishment for Zolnowsky was completing his four-year general studies degree from SDSU. He initially started his studies at SDSU in 1991. With 18 credits to go, marriage and fatherhood caused

him to reset his priorities. In order to complete his degree, Zolnowsky attended classes at Capital University Center in Pierre and took one online course.

Another important move for Zolnowsky was earning his CIC (certified insurance counselor) designation. The program includes five CIC institutes – personal lines, commercial casualty, commercial property, life and health, and agency management.

To become a designated CIC, one must complete all five courses and pass the examinations within five calendar years. Zolnowsky completed his courses in just over a year. He must continue to take classes to update his CIC designation annually. ■



Seminars and Conferences

IRA Essentials

- Jan. 10, 2012: SDBA Office, Pierre
- Jan. 11, 2012: Ramkota Inn, Sioux Falls

SDBA State Legislative Conference, Reception & Dinner

- Feb. 8, 2012: Ramkota RiverCentre, Pierre

NDBA/SDBA 2012 Bank Management Conference

- Feb. 17-18, 2012: Scottsdale, Ariz.

IRA Update

- Feb. 28, 2012: SDBA Office, Pierre
- Feb. 29, 2012: Ramkota Inn, Sioux Falls

Administrative Appraisal Review for Non-Appraisers

- March 13, 2012: Sioux Falls

ABA 2012 Government Relations Summit

- March 19-21, 2012: Omni Shoreham, Washington, D.C.

Bank Director Training

- April 3, 2012: Sioux Falls

SDBA Agricultural Credit Conference

- April 11-13, 2012: Ramkota RiverCentre, Pierre

Legal Issues of New Account Documentation

- April 24, 2012: Hilton Garden Inn, Sioux Falls

Call Report Preparation

- May 10-11, 2012: Clubhouse Hotel & Suites, Sioux Falls

NDBA/SDBA Annual Convention

- June 10-12, 2012: Ramkota Hotel, Bismarck, N.D.

January Webinars

The following are available as live webinars and/or recorded seminars. For more information and additional webinars go to www.sdba.com, Calendar of Events, and click on the "Search for Trainings" page.

- Using Business Tax Returns to Analyze Lending Requests
- Managing 2012 Compliance Priorities
- Do's and Don'ts of Checks
- Frontline Fundamentals
- CRA Exam Game Plan
- 2012 HMDA Review & Update
- 17 Compliance Tasks of the New Account Interview
- Dealing With Subpoenas, Summonses, Garnishments, Tax Levies
- Ethics in Financial Services: Strategies for Managing Risk and Complexity

- 2012 Frontline Compliance Part 1: Balancing Compliance & Customer Service
- Compliance Perspectives: A Monthly Update
- 2012 Frontline Compliance Part 2: Required Disclosures at Account Opening
- ABIA Government Relations Update: An Overview of the Federal Legislative and Regulatory Activity...
- CIP: What is Fact? What is Myth?
- Survive and Thrive: Six Strategic "Must Dos" for 2012 and Best-Practice Strategies
- How to Improve Your Disaster Recovery Plan and Avoid a Disastrous Recovery
- Enterprise Risk Management - A Practical "CAMELS-based" Approach
- Coaching for Exceptional Performance
- Basic Cash Flow Analysis

Schools

Dakota School of Lending Principles

- March 27-30, 2012: Bismarck, N.D.

GSB Human Resource Management School

- April 15-20, 2012: University of Wisconsin-Madison

GSB Bank Technology Management School

- April 22-27, 2012: University of Wisconsin-Madison

Dakota School of Banking

- June 17-22, 2012: Jamestown, N.D.

SDBA 2012 National School for Experienced Ag Lenders

- June 25-28, 2012: Black Hills State University, Spearfish

Graduate School of Banking at Colorado

- July 15-27, 2012: Boulder, Colo.

Graduate School of Banking at Wisconsin

- Aug. 12-24, 2012: University of Wisconsin-Madison

GSB Senior Management Seminar

- Aug. 19-22, 2012: University of Wisconsin-Madison

GSB Financial Managers School

- Sept. 23-28, 2012: University of Wisconsin-Madison

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

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FEATURED SPEAKER:

Chris Matthews

Host, “Hardball” on MSNBC and
“The Chris Matthews Show” on NBC

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