

# South Dakota Banker

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

If you row someone across the river,  
You will get there yourself.

## A Unique Approach to Ownership & Management

Meet the Team at Farmers State Bank, Marion

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# ASK A BOARD MEMBER

*South Dakota Development Corporation Board Chairman Rob Fouberg explains SDDC programs*

**Q:** How does the SDDC board advocate the MicroLOAN and SBA 504 programs and get the word out?

**A:** The South Dakota Development Corporation works closely with the South Dakota Governor's Office of Economic Development to market and advertise the SDDC's programs. We also rely on word-of-mouth advertising to grow our relationships within the banking community.

**Q:** How does the SBA 504 benefit borrowers?

**A:** The 504 is great for borrowers because it offers companies long-term, fixed-rate financing. The rates are low, and generally very competitive in today's market. For companies that are looking to purchase fixed assets, the 504 is a wonderful tool.

**Q:** How does the MicroLOAN benefit borrowers?

**A:** The MicroLOAN is a terrific option for smaller companies. In addition to offering borrowers a 3 percent interest rate, the funds may be used for working capital, which is an option that not many loan programs offer.

**Q:** How are the programs administered?

**A:** The South Dakota Development Corporation board meets regularly and votes on all loan applications. The Governor's Office of Economic Development loan officer presents the application and works closely with the partnering bank on due diligence, filing paperwork and funding.



**Q:** What kinds of businesses has the SDDC made loans to? Is there a variety?

**A:** In the SDDC's 24 years, we have helped finance all kinds of projects. Loan amounts have been as small as \$1,000 with the MicroLOAN, and can be as large as \$5 million with the SBA 504 program. Our borrowers are diverse – from retail operations to manufacturing.

**Q:** How did you get involved in economic development?

**A:** My father is a banker and I followed him into this business. Banks are often critical partners in economic development initiatives in their communities. It is exciting to play a part in the success of businesses and communities, small and large, and the people that make their living working with such companies.

## SOUTH DAKOTA

GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

*For more information, please contact Charlie Van Gerpen at [charlie.vangerpen@state.sd.us](mailto:charlie.vangerpen@state.sd.us); LaJena Gruis at [lajena.gruis@state.sd.us](mailto:lajena.gruis@state.sd.us); or call 605-773-3301.*

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## SDBA Board of Directors

Rick Rylance, Chairman  
Dacotah Bank, Rapid City

Paul Domke, Chairman-Elect  
Heartland State Bank, Redfield

Dave Rozenboom, Vice Chairman  
First PREMIER Bank, Sioux Falls

George Kenzy, Immediate Past Chairman  
First Fidelity Bank, Burke

### Term Ending April 30, 2016

Ron Kristensen, Farmers and Merchants State Bank,  
Plankinton

Dave Zimbeck, Citibank, N.A., Sioux Falls

### Term Ending April 30, 2017

Steve Bumann, BankWest, Pierre

Shawn Rost, First Interstate Bank, Sturgis

Kevin Whitelock, Pioneer Bank & Trust, Spearfish

### Term Ending April 30, 2018

Jeff Davis, Bryant State Bank, Bryant

Brad Seaman, First State Bank of Warner, Aberdeen

David Bangasser, Dacotah Bank, Sioux Falls

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# South Dakota Banker

Your Premier Source to South Dakota's Financial Services Industry

February 2016 | [www.sdba.com](http://www.sdba.com)

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## message from the chairman

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

# Stay Involved in the Legislative Process



**A**s I write this, the South Dakota Legislature has just convened. The Governor has given his State of the State Address, and things are starting to get exciting in Pierre.

There will be a number of bills this year that will be of interest to bankers around the state that may affect the banking industry, local communities and bankers personally. Please keep in mind that SDBA President Curt Everson and the SDBA staff will help you stay informed on the various bills that affect us.

You may be called on from time to time to contact your local legislators to help inform them on certain bills that are relevant to the banking industry. Your effort toward this function is critical in the process to give our side of the story and help legislators understand how proposed legislation would affect the banking industry

and our customers. Attending your local cracker barrels and making yourself available to your legislators if they have questions are two more ways to stay involved in the process.

Don't forget to register for the SDBA 2016 State Legislative Day in Pierre on Feb. 10. It is a good way to interact with fellow bankers and legislators.

It is also that time of year to start looking for a new SDBA vice chairman. If you or someone you know would like to become an SDBA officer, contact Curt Everson at the SDBA Office or SDBA Past Chairmen George Kenzy, Kevin Tetzlaff or Steve Hayes. (*See the story below.*)

I hope to see you in Pierre on Feb. 10 for our State Legislative Day and travel safe. ■

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

## SDBA Seeks Candidates for 2016-2017 Officers

**A**re you interested in becoming an officer of the South Dakota Bankers Association? SDBA officers include the chairman, chairman-elect, vice chairman and immediate past chairman. The SDBA is currently seeking people who are interested in running for the vice chairman position, which will be elected at the Annual Convention on June 14, 2016, in Bismarck, N.D.

The current chairman-elect, Paul Domke (Heartland State Bank, Redfield), will automatically assume the chairman position on June 14, 2016. The current vice chairman, Dave Rozenboom (First PREMIER Bank, Sioux Falls), will be eligible to run for chairman-elect. The position of vice chairman will be up for election. Current Chairman Rick Rylance (Dacotah Bank, Rapid City) will automatically become the immediate past chairman.

Executive officers of any SDBA voting member bank are eligible to run for vice chairman. If you are interested in running for the position, contact a member of the nominating committee listed to the right for more information and submit a letter of intent to SDBA President Curt Everson at [ceverson@sdba.com](mailto:ceverson@sdba.com). ■

### Officer Election Nominating Committee

#### Chairman George Kenzy

First Fidelity Bank  
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#### Kevin Tetzlaff

First Bank & Trust  
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Brookings, SD 57006  
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#### Steve Hayes

Dakota Prairie Bank  
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Fort Pierre, SD 57532  
Phone: 605.223.2337  
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## 2016 ABA Government Relations Summit

March 14-16, 2016 ★ Washington, D.C.

[www.aba.com](http://www.aba.com)

## from the executive office

BY CURT EVERSON | President | South Dakota Bankers Association

# THANK YOU to Bankers Who Make the Trek to Pierre



**T**he 2016 State Legislative Session is well underway. SDBA's lone bill to modernize the definition of "written agreement" as it applies to consumer contracts between debtors and creditors has been officially introduced as SB57.

The work product of the South Dakota Elder Abuse Task Force (SB54) has already had its first committee hearing and is idling pending the completion of an analysis about what impacts these new laws might have on local government costs of the criminal justice system.

At this writing, I am tracking upwards of 20 bills, but more will no doubt be introduced before the Legislature's self-imposed Feb. 5 deadline. All banking-related bills that will ultimately be introduced will be discussed with members of the SDBA's Legislative Committee and Board of Directors when they meet in Pierre on Feb. 10 to kick off the SDBA's annual State Legislative Day.

Besides legislative discussions, we are bringing Dr. Steffen W. Schmidt (aka Dr. Politics), professor of political science from Iowa State University, to Pierre to discuss the 2016 presidential race under the heading, "Fear and Loathing in the Campaign Trail 2016." Dr. Schmidt's remarks will be particularly timely as the highly anticipated (or dreaded) Iowa caucuses will have taken place just the week before our event.

Bankers will have the opportunity to go to the Hill to watch state senators and representatives at work. Lastly, we will cap off the day by holding an evening reception and dinner to say thank you to those we have elected to make tough public policy decisions. If you haven't already registered, there is still time to do so at [www.sdba.com](http://www.sdba.com).

I want to give a big shout out to every banker who makes attending our annual State Legislative Day a priority. I know it is never easy to leave the office when there is work that needs your attention. I also know that, for most of you, traveling back and forth to Pierre is a long journey on a good day, to say nothing of what it can be like in the middle of February. So for those dedicated bankers who come to carry the banking industry's banner and to personally say thank you to our elected leaders, I simply say THANK YOU for your engagement and for your willingness to let your elected legislators and our statewide constitutional officers know that you care about public policy of importance to your bank, your customers and your communities!

## Congressional Disconnect

Last month, I vented a bit about how poorly our arguments for timely and meaningful regulatory relief

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Individual members (of Congress) may say they support the best interests of this nation's hometown banks, but they don't always vote that way.  
.....

have been treated in Congress. There are members of Congress in both political parties who say they support their hometown banks and the work that bankers do to help individuals and business owners realize their dreams and that they understand the key role that the nation's banking system plays in terms of capital formation, job growth and economic prosperity.

But when it comes time to vote on meaningful regulatory relief that would help banks help their customers, they find reasons to vote against common-sense legislation or tell us that there just isn't time to bring a bill to the floor for an up or down vote. Individual members may say they support the best interests of this nation's hometown banks, but they don't always vote that way.

Why?

Like each of you, I can speculate about reasons for that disconnect. But in the end, the primary factor at work in determining how elected officials vote often revolves around the next election. The unvarnished truth is that when contemplating a vote for or against any given bill, members of Congress (or their political advisors) may focus more on possible political gains or losses in the next election than about sound public policy or the economic implications of their vote. In the case of regulatory relief for our industry, politics won.

So how can we change that political paradigm? As an industry, we need to do a better job of telling our industry's story—how this nation's hometown banks strive to help their customers and communities grow and prosper and how current policies work counter to those goals. There are roles for banks, bankers and banking trade associations to play. Look for more details on opportunities for each in the months ahead. ■

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Curt Everson is president of the South Dakota Bankers Association. Everson can be reached at 605.224.1653 or [ceverson@sdba.com](mailto:ceverson@sdba.com).

## Overdraft Rules Confirmed for 2016



Throughout the year, we want to bring updates directly from some of the trusted companies the SDBA has direct relationships with, and this month we hear from Compliance Alliance.

We have partnered with Compliance Alliance in order for member banks to gain direct access to the most complete compliance resource in the country.



By Nathan McDonald, Compliance Alliance



Last month, the Consumer Financial Protection Bureau (CFPB) confirmed its plans to engage in rulemaking for overdraft in its 2016 rulemaking agenda. It has been a long road getting to this point since 2012 when Director Cordray described overdraft practices as “harmful” in a speech given that year.

As part of its rulemaking preparations, the agency is currently conducting additional research and consumer testing of opt-in initiatives. Recently, it sought permission from the Office of Management and Budget to conduct a Web-based survey of 8,000 consumers as a part of its study of ATM/debit card overdraft disclosure forms, under the authority provided by the Electronic Fund Transfer Act. As claimed in its filing, the survey will be used to “explore” consumer comprehension and decision-making in response to revised overdraft forms. It also aims to “explore” overdraft product usage, consumer behavioral traits, and characteristics that may interact with a consumer’s experiences with overdraft programs and disclosures.

In addition to the forthcoming rules, the CFPB has already exercised its enforcement powers to curb overdraft practices it feels are harmful to consumers, levying a fine of \$7.5 million against Regions Bank for allegedly charging overdraft fees to consumers who had not opted-in for coverage. In addition to the fine, the consent order required the bank to refund overdraft fees to consumers in an amount exceeding \$49 million. On the same day, the CFPB also issued a consumer advisory regarding overdraft services, notifying consumers of how to avoid overdraft fees and urging consumers to shop around.

Enhanced scrutiny currently placed on overdraft has not been limited to the CFPB’s agenda, as the Department

of Education recently announced new regulations banning overdraft fees on student debit and prepaid cards. Additionally, several class action lawsuits have been initiated against large banks in the last few years regarding overdraft practices. Most recently, Wells Fargo lost its fight in a federal appeals court to set aside class certification of three lawsuits in which the bank has been accused of collecting millions of dollars in improper overdraft fees from consumers. HSBC also reached a preliminary settlement for \$30 million late last year in a lawsuit before the New York Supreme Court for allegedly reordering transactions to boost overdraft income, while also defending against a class action suit federal court based on similar allegations.

Although income from overdraft fees has declined since opt-in requirements went into effect in 2010, it continues to be a significant source of non-interest income. At the three largest banks alone, overdraft income amounted to nearly \$1.1 billion in the first quarter of 2015. During the same period, the roughly 600 banks required to report overdraft fees reported approximately \$2.5 billion in overdraft fee income. Currently, overdraft charges average \$33.07, exhibiting an increase of nearly 10 percent over the last five years.

At this time, it’s too early to tell what, how and to what extent the new rules may impact overdraft programs. Until then, it would be prudent to evaluate the level of overdraft income at your institution and preliminarily consider the possible impact that reduced overdraft income would have on earnings, budgeting and strategic planning.

Compliance Alliance offers a comprehensive suite of compliance management solutions. To learn how to put them to work for your bank, call 888.353.3933, visit [compliancealliance.com](http://compliancealliance.com) or email [info@compliancealliance.com](mailto:info@compliancealliance.com). ■

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A former federal and state banking regulator, Nathan McDonald brings unique knowledge and diverse experience to Compliance Alliance. Prior to attending law school, he obtained his B.B.A. and served as an OCC examiner in the New York metro area. While at the OCC, McDonald served as a portfolio manager and the analyst to the resident EIC of a mid-size national bank—a rare opportunity for a junior examiner. After obtaining his J.D. from the University of Texas at Austin in 2011, McDonald worked at the Texas Department of Savings & Mortgage Lending where he served as an associate general counsel, developed and implemented the department’s successful and innovative compliance examination program with the FDIC, and gained valuable experience participating in FDIC compliance examinations.

## banker education

### March 1 Deadline for Graduate School of Banking at Colorado Scholarship

The Graduate School of Banking at Colorado (GSBC) partners with the SDBA each year to offer the GSBC Future Leaders Scholarship. The scholarship is awarded to one banker per state, per year, and recipients must be first-year students.

Scholarship recipients receive \$1,325 per year for three years to attend GSBC's annual school session. The 66th school session will be held July 17-29, 2016, at the University of Colorado at Boulder.

GSBC's annual school session is a 25-month, graduate school of banking that is hosted each July. Since 1950, banks have trusted the GSBC to prepare the next generation of community bank leaders. This legacy combined with a cutting-edge curriculum, expert faculty and state-of-the-art facilities make GSBC's banking school an ideal management training program for community banks nationwide.

The 2016 scholarship application deadline is March 1. Candidates will be notified by March 31 of selection decisions. A separate application for the school must also be completed. Visit [www.gsbcolorado.org](http://www.gsbcolorado.org) to apply for the school and the scholarship. Questions, contact Deb Gates, SDBA, at 800.726.7322 or [debates@sdba.com](mailto:debates@sdba.com). ■

### Scholarships Available for Graduate School of Banking at Wisconsin

Since 1945, the Graduate School of Banking at the University of Wisconsin-Madison (GSB) has helped develop banking leaders through a program of advanced management education.

Prochnow Educational Foundation/SDBA scholarships will be awarded to two South Dakota bankers attending the 2016 Graduate School of Banking program. The scholarship amount is \$1,300 for each year of the student's attendance (approximately one-third of the annual tuition fees), for a total value of \$3,900.

The 2016 school session will be held July 31 to Aug. 12 at the University of Wisconsin-Madison. This scholarship is for people who will be entering their first year at GSB. A separate application for the school must be completed via the GSB website at [www.gsb.org](http://www.gsb.org). The deadline to apply for the scholarship is June 1.

In addition, one scholarship to attend GSB's Human Resource Management School will be awarded to a South Dakota banker. The recipient will receive a \$925 discount on registration. The school, which will be held April 10-15, is designed specifically for HR professionals in the financial industry and addresses today's most critical HR issues. The deadline to apply for the scholarship is Feb. 12.

For both GSB scholarship applications, visit [www.sdba.com/gsb-wisconsin](http://www.sdba.com/gsb-wisconsin). ■

### 2016 Dakota School of Lending Principles To Be Held in Late March

The Dakota School of Lending Principles, hosted by the NDBA and SDBA, is a learning event with one foot grounded in the classroom and one foot in the bank. This school allows students to learn the theory and process of basic lending and then put this knowledge to work in actual nuts and bolts sessions.

The 2016 Dakota School of Lending Principles will be held March 29 to April 1 at the Radisson Hotel in Bismarck, N.D. The school 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.

In the four modules on loan types, bankers learn the lending process by studying elements applicable to each loan type: terminology, the application process, interviewing, investigation, credit analysis, loan structure, decision communication and selling. Case studies and exercises provide hands-on learning experience in the following areas.

**Consumer Lending:** This module is designed to teach the consumer lending process from start to finish. Learn the types of consumer loans. Identify the sections of an application and learn how to evaluate a consumer request.

**Real Estate Lending:** This module focuses on real estate lending. Learn about the various types and risks of residential, commercial and construction/development real estate mortgage products.

**Analyzing Small Business Loans and Loan Documentation:** Understand income statement and balance sheet composition and how to common size statements. Learn select commercial lending ratios and apply to a commercial loan case.

**Agricultural Lending:** Understand the major drivers shaping U.S. agriculture. Identify the main classifications of farm size and the borrowing needs of each class.

For more information and to apply, visit [www.ndba.com/education/schools/school-of-lending-principles](http://www.ndba.com/education/schools/school-of-lending-principles). Questions, contact Dorothy Lick, NDBA, at 701.223.5303 or [dorothy@ndba.com](mailto:dorothy@ndba.com). ■





# ABA EMERGING LEADERS FORUM

**MONDAY, MARCH 14, 2016 | 12:30–4:00 P.M.**

12:30 P.M. – 1:30 P.M. Networking Luncheon

1:30 P.M. – 4:00 P.M. General Session

5:00 P.M. – 5:45 P.M. Reception for Emerging Leaders Forum Attendees

Washington Marriott Marquis  
Washington, DC

The 2016 Emerging Leaders Forum, preceding the 2016 ABA Government Relations Summit in Washington, is a great opportunity for new leaders in banking to share challenges and strategies, network with peers from across the country and gain new perspectives on leadership.

The program will feature a networking luncheon, a two hour interactive general session with two keynote presentations, including a Member of Congress.

Register at [aba.com/EmergingLeaders](http://aba.com/EmergingLeaders)



American  
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## Scholarships Available for SD Bankers to Attend Emerging Leaders Forum

### SDBA To Provide \$250 Stipend to GR Summit Attendees

**T**he American Bankers Association (ABA) is offering two South Dakota bankers a \$750 scholarship to help cover expenses to attend its 2016 Emerging Leaders Forum on March 14. The Forum is being held in conjunction with the ABA's 2016 Government Relations Summit March 14-16 at Washington Marriott Marquis in Washington, D.C.

The Emerging Leaders Forum is an opportunity for new voices in banking to share challenges and strategies, network with peers from across the country and gain new perspectives on leadership. There will be a private reception following the Forum.

While there is no fee to attend, the scholarship can help cover travel expenses. Pre-registration is required. Visit [www.aba.com/Training/Conferences/Pages/ELForum.aspx](http://www.aba.com/Training/Conferences/Pages/ELForum.aspx).

If you are interested in applying for the scholarship, contact the SDBA's Deb Gates at [debates@sdba.com](mailto:debates@sdba.com) or 800.726.7322.

### ABA Government Relations Summit

The SDBA will provide a \$250 stipend to a banker from each member bank to help cover expenses to attend the ABA Government Relations Summit. The SDBA will issue stipends following the Summit on March 14-16.

Senate Banking Committee Chairman Richard Shelby (R-Ala.) and House Financial Services Committee Chairman Jeb Hensarling (R-Texas) will keynote the Summit. With Shelby and Hensarling joining the lineup, Summit attendees will hear from the two most powerful financial services lawmakers, who join other big names on the program, including former White House Press Secretary Dana Perino, Politico economics correspondent Ben White, and election-watchers Charlie Cook and Stu Rothenberg.

Bank employees and directors are encouraged to attend the largest gathering of banking industry leaders in the nation's capital. As ABA seeks to increase the banking industry's political muscularity in Washington, it is calling on all bankers to increase their advocacy efforts and help lawmakers and candidates for elected office understand the roles banks play in economic growth and job creation.

Bankers who attend the Summit will gain fresh insights and valuable information that they can share with their institutions and use to encourage colleagues to participate in these efforts throughout the year.

South Dakota bankers will have the opportunity to meet with the state's congressional delegation and network with North Dakota bankers Tuesday evening.

While there is no fee to attend, registration is required. Visit [www.aba.com/Training/Conferences/Pages/GRS.aspx](http://www.aba.com/Training/Conferences/Pages/GRS.aspx) to register.

### Women's Leadership Forum

On March 16, the ABA will also hold a Women's Leadership Forum with headliner Claire Shipman, senior contributor for "Good Morning America."

Take advantage of this opportunity to network with CEO and senior-level banking peers while hearing the latest on issues that could affect the way you do business at your bank. The program will feature a panel of women bank CEOs discussing how to develop, engage and retain women leaders, roundtable discussions, and a networking lunch that will encourage an exchange of ideas and solutions sure to result in valuable takeaways.

The forum is open to women CEOs and senior executives in the banking industry only. Learn more and register at [www.aba.com/Training/Conferences/Pages/WLForum.aspx](http://www.aba.com/Training/Conferences/Pages/WLForum.aspx). ■

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## Learn to Position for Success at SDBA Agricultural Credit Conference

**A**g bankers can expect the SDBA's 2016 Agricultural Credit Conference to focus on an economic reset that has not been experienced in two to three decades.

However, there are ways banks can position for success in agriculture's challenging times, and attending this year's conference will be a step in the right direction. The SDBA has lined up a powerhouse of speakers to help bankers navigate through stressful times ahead.

The 2016 Agricultural Credit Conference will be held April 13-15 in Pierre at the Ramkota RiverCentre.

### Dr. Dave Kohl

Dr. Dave Kohl, professor emeritus at Virginia Tech and



president of AgriVisions LLC in Blacksburg, Va., says that the great commodity super cycle that bestowed record profits and asset appreciation on many in the industry is "in the rear view mirror." However, Dr. Kohl will share his thoughts on some key financial metrics and business management tools that will assist bankers in positioning their banks and ag business to navigate those white waters and prepare them for how to take advantage of opportunities that are always there.

Dr. Kohl will also moderate a panel of bankers and producers,

some of whom experienced the mid-1980s and will take attendees through a fascinating discussion in "Positioning for Success in the Economic Reset."

### Denny Everson



Denny Everson, retired agri-business division president of First Dakota National Bank in Yankton and current board

member, will serve on the panel discussion with Dr. Kohl and follow up with some tips on how ag bankers can counsel their borrowers without facing lender liability.

NDBA/SDBA ANNUAL CONVENTION  
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June 12-14, 2016  
Best Western Ramkota Hotel  
Bismarck, ND



## John Blanchfield



John Blanchfield, owner of Agricultural Banking Advisory Service and always popular with bankers, returns to help attendees

"Muddle Through." As exciting as the last 10 years have been in ag banking, the next 10 could be equally less fun. Blanchfield says the message is clear: The Boom Is Over. However, he has some ideas for bankers and a message that he hopes will be positive, relevant and actionable, in spite of the tough years ahead.

## Ed Usset



Ed Usset, grain marketing specialist with the Center for Farm Financial Management at the University of Minnesota, will

share his common-sense approach to grain marketing and address the implications of continued stockpiling of grain and the building of more bins. He will share his thoughts on soybeans, wheat and corn, and future market outlooks and price prospects.

## Randy Blach



Randy Blach, chief executive officer of CattleFax in Denver, Colo., will share his wisdom on how to survive the roller-coaster ride for

cattle and cattle marketing. CattleFax is focused on helping member cattle producers make more profitable marketing and management decisions.



## Leon Osborne

Leon Osborne, with the University of North Dakota in Grand Forks, will share his research and thoughts on what's driving this

year's weather and what will those evolving weather conditions mean to ag. He predicts that if nothing changes, there will be drought conditions similar to 1988.

## Sarah Gibson



Sarah Gibson, founder of Accent Learning and Consulting in Stoughton, Wis., will discuss how our generational differences effect

communication preferences and work styles. Half of America's full-time workforce will be 33 or younger, and Gibson will help bankers understand how they can use their differences to connect with producers of all ages and how they can relate to other generations in their work environments. This will be a fun, eye-opening session that bankers will be thinking about for months.

## Lt. Colonel Robert Darling



"You could have heard a pin drop!" That is the normal reaction from audiences who have heard Lt. Colonel

Robert Darling

speak about his 24 hours inside the president's bunker on Sept. 11, 2001.

Lt. Col. Darling retired in October 2007 with more than 20 years of service with the United States Marine Corps after having flown attack helicopters in Desert Shield and Desert Storm during the first Gulf War and in Somalia, Africa.

In 1998, he was selected to fly as a presidential pilot with Marine Helicopter Squadron One and was subsequently handpicked to work for the White House Military Office Airlift Operations Department in October 2008. It was in that capacity that Lt. Col. Darling supported the president, vice president and national security advisor in the president's emergency operations center on Sept. 11, 2001. Don't miss this!

Be watching [www.sdba.com](http://www.sdba.com) for more details and to register. ■

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*Don Nolan is chairman/CEO of Farmers State Bank in Marion. On the front cover are the officers who are owners of Farmers State Bank: (left to right) Barclay Smith, Ravila Berens, Paul Richards, Cal Hubregtse, Don Nolan, Jodi Eich and Cameron Becker. The top cover photo is a mural on a wall in the board room at Farmers State Bank in Marion.*

## *A Unique Approach to Ownership & Management*

# Meet the Team at Farmers State Bank, Marion

*By Alisa DeMers, Editor*

**F**armers State Bank in Marion and First State Bank in Hawarden, Iowa, have a long history that started when two of its bankers first met at graduate banking school.

That friendship grew and led the two banks to form a unique team approach to bank ownership and management—a throwback to how many rural community banks were originally formed.

“Our structure is such that we rely on each other pretty heavily,” said Don Nolan, chairman/CEO of Farmers State Bank and chairman/

president/CEO of First State Bank and Miner County Bank in Howard. “We use a team approach to ownership and management.”

Today, Farmers State Bank in Marion and First State Bank in Hawarden, Iowa, are part of First State Associates Holding Company, as well as a third bank, Miner County Bank in Howard

### **How It All Started**

Farmers State Bank in Marion was chartered July 14, 1904, under the name Farmers Trust & Savings Bank. John J. Smith started working

at the bank in 1911 as the cashier. He was elected president of the bank in 1920 and served until he died in 1954.

In 1914, growth in business warranted an addition, and in 1923 the interior of the bank was modernized and the bars and high partitions between the customers and the banker were removed. The bank changed its charter in 1940 to the current name of Farmers State Bank.

Upon John Smith’s death, his son, Eldon Smith, was elected president of the bank. Eldon Smith served as president until his death in 1979. Eldon’s son, Harlan Smith,



started working at the bank in 1979, and was appointed president in 1984.

"First State Bank of Hawarden and Farmers State Bank of Marion have a long relationship that was primarily because Harlan Smith, who was then the majority owner and president of Farmers State Bank, and I went to banking school at the Graduate School of Banking at Colorado, and we became friends," Nolan explained. "Later on, I made the move from Nebraska to Hawarden, Iowa, and we became closer friends, and we began to do some loan participations back and forth between the two banks."

Farmers State Bank opened a second location in Parker in 1989 and a third location in Humboldt in 1997. That same year, the bank purchased First State Bank of Bridgewater, followed by a new branch in Tea in 1999.

Harlan Smith asked Nolan to join Farmers State Bank's Board of Directors in 1999. Nolan said the relationship between the banks became closer, and he got to know the people involved in both banks.

In 2006, Harlan Smith died

unexpectedly. At that time, his brother, Barclay (Barc) Smith, was appointed president. Barc Smith has worked at the bank since 1984.

The family continued to operate the bank until 2010, when they decided to sell it to First State Associates Holding Company – the holding company of First State Bank in Hawarden.

### A Natural Transition

Growing up mostly in Nebraska, Nolan lived in south central South Dakota for a time as his grandparents ran a bakery in White River. He graduated from high school in Ainsworth, Neb., and attended Chadron State College in Chadron, Neb. After graduating with a degree in management and marketing, Nolan worked at a farm supply store while his wife finished college.

Nolan said banking was the furthest thing from his mind in college. While looking at a bulletin board on campus one day, Nolan was asked by a professor if he was looking for a job because Northwestern State Bank in Hay Springs, Neb., was looking for

someone to train as a loan officer.

Nolan went to work for Northwestern State Bank, which had similar owners as First State Bank in Hawarden. Nolan transferred to First State Bank in 1990.

At that time, First State Bank was owned by an investment group in Omaha, which later encouraged Nolan to get a group together to buy the bank. First State Associates was formed in 1996, and owned one-third of the Hawarden bank. The group was joined by two other rural banks' holding companies, who each also owned a third. Over time, the other two partners allowed First State Associates to buy out their interests and become the sole owner of First State Bank.

"It was from those roots that we really hatched the concept of keeping things as local as best we can," Nolan explained. "So when the acquisition opportunity of Farmers State Bank came up, that is when we molded this whole philosophy of development together and designed this structure."

Marion, which is located in Turner County, is a town of around



*The current location of Farmers State Bank in Marion at 211 N. Broadway was built in 2000.*

750 people in the southeast part of South Dakota. Approximately 65 miles southeast of Marion, Hawarden is right across the South Dakota-Iowa border and eight miles east of Alcester.

In the acquisition, First State Associates acquired Farmers State Bank's locations in Marion, Parker and Bridgewater, and Reliabank Dakota purchased the locations in Tea and Humboldt.

"We have this philosophy that communities are better served if their banks are locally owned and if a portion of that ownership is held by the management of the bank," Nolan said. "It was at that time that all of the folks that had been in the picture joined in the ownership of First State Associates. It wasn't necessarily a takeover or an acquisition; it was as much that we combined forces essentially and all became a part of the ownership."

The ownership and board structure at First State Associates is a combination of voting shareholders and non-voting shareholders. Nolan said voting shareholders are people who have been or who are currently active in the bank's management. Non-voting shareholders are community members.

In addition, the ownership-interest structure is diverse and dispersed among all of the communities involved. The target is that the ownership percentage of the holding company be as close as it can to the asset proration of each bank.

"The thought process is that the profits all stay home and find their way back into each community," Nolan said.

## Working Together As a Team

In addition to Nolan, six other officers are owners of Farmers State Bank in Marion. Barc Smith is the Marion market president; Cal Hubregtse is the Parker market president; Paul Richards is the Bridgewater market president; Cameron (Cam) Becker is executive vice president/chief credit officer; Jodi Eich is executive vice president/chief operations officer; and Ravila (Vi) Berens is vice president/residential real estate and consumer loan officer.

"Our idea here was to try and model our local ownership back to how most rural banks were originally founded by a joint effort of community members investing in those banks. That has become the roots of our ownership structure," Nolan explained. "Our target is to continue that and to constantly be involving younger people in ownership so that we can keep that local ownership perpetual."

The youngest officer/owners of Farmers State Bank are Becker and Eich.

Becker, who works and lives in Marion, began working at Farmers State Bank after graduating from the University of South Dakota (USD) in Vermillion with a business degree with an emphasis in finance. Becker, who grew up in Marion, said his family was friends with the Smith family, and Harlan offered him a job at the bank when he graduated.

"I was born and raised here, so it was a good opportunity to get back and be close to family and friends and to start my career," he said.

Becker has now worked at the

bank for 13 years and services an agricultural loan portfolio and chairs the loan and credit committees for both the bank and holding company. He has also served on the SDBA's Agricultural Credit Committee for a number of years.

Eich works at the Parker location and lives in nearby Lennox. Originally from Howard, Eich decided she wanted to go into banking when it came time to complete her internship in college. She has a business management degree with an emphasis in finance and a master's in business administration from USD.

"I decided to enter this field because I enjoy the financial aspects of banking, as well as the opportunity to help others," Eich said about her banking career.

Eich has worked at the bank for 10 years. She oversees asset liability management, human resources, deposit operations and financial reporting. Prior to working for Farmers State Bank, she worked for a bank in Sioux Falls for seven years and during college.

## Adding a Third Bank to the Mix

Farmers State Bank employs 21 people among its three locations in Marion, Parker and Bridgewater. Becker said the bank's focus is on agricultural lending in and around its three communities. Parker is nine miles from Marion, and Bridgewater is 25 miles away. The bank provides all traditional bank services including residential real estate lending.

The bank handles around 40 residential real estate loans a



*Farmers State Bank in Parker*



*Farmers State Bank in Bridgewater*



year using an in-house real estate department and utilizing secondary market resources, according to Becker.

While there was a time that the bank didn't have a source in the secondary market for its residential real estate loans, Nolan said the bank re-established a source and never quit providing loans.

"We are afraid that if we don't do residential real estate, our rural communities won't be served," Nolan said.

Becker added, "If we don't provide residential real estate lending in our communities, we are concerned who will, if anybody, and then what are the long-term effects to our communities if that were to happen."

In October 2015, First State Associates acquired Miner County Bank in Howard. The bank, which was organized in 1926 as a result of two failed banks, has a second location in Canova, which it purchased in 1995.

Both Hubregtse and Richards are from the communities in which they oversee the bank's branches. Nolan said First States Associates became interested in acquiring Miner County Bank because Howard is Eich's hometown.

"I thought the style of banking that this organization brings would be really good for the community of Howard," she said. "It is a win-win."

"Our goal is to have management of Miner County Bank involved in ownership, as well as some community members involved in ownership of the holding company," Nolan added. "It will take us some time to evolve there."

The Howard bank, which employs 11 people, has not traditionally offered residential real estate lending, but Nolan said the plan is to develop that service there. Because the bank is basically starting from scratch in Howard, he said it will take a little time as they need to find someone knowledgeable in that service area.

"It is a real advantage to having a group of community banks because we can share that expertise and help each other," Nolan said. "It is one of



*From left, Cameron Becker and Jodi Eich are the youngest officers who are owners of Farmers State Bank in Marion.*

the real advantages to the structure that we have."

### **The Home Town Advantage**

Nolan, who lives in Hawarden, splits each week among all of the bank's locations. He said he relies heavily on his co-workers as each community has its own unique cultures and customs, and those who work in each community better understand its needs.

"We each need to hold on to our unique identities," he explained. "While rural communities are very similar in many ways, each community is unique, and there needs to be somebody in the bank who understand that uniqueness and understands that community."

The bank's employees work to provide "the home town advantage."

"It's more than products and services. It is really about people being integrated in their community and having a deep understanding of their community," Nolan said. "That is what really makes a difference."

"We try to have decision-makers in all the banks in all the communities, so that situations

that come up that are unique to those communities can be handled by someone with expertise rather than those decisions getting made elsewhere," Becker added.

"When we talk about local decision-makers, we all like to say that in the banking business, but we do not have a corporate office or a headquarters at the bank," Nolan went on to say. "We really are in a sharing situation where each bank maintains its own identity in its own operations. We utilize the sharing to help one another, and that way we can stay independent."

Nolan said one of the bank's biggest challenges going forward will be finding young people to embrace rural banking. He hopes that the opportunity to be part of a long-term vision and an ownership vision will help attract young people to the banking organization.

Being involved in banking, Becker added, has also given him the opportunity and access to get involved in different parts of his community that he might not otherwise have had the chance to see.



## Time for Political Muscle-Building



**Y**ou know that when Congress turns our industry into a piggy bank to pay another industry's costs and then ignores bankers' pleas for relief from stifling, ill-fitting regulations, something is very wrong—not just with our political system, but also with our industry's political firepower.

I'm referring, of course, to the twin insults Congress lodged in its waning days of its 2015 session. First, to cover the costs of the five-year highway spending bill, lawmakers chose not to raise the gas tax or find some other related source of funds. Instead, it opted to dramatically decrease the dividend the Fed pays member banks with more than \$10 billion in assets while simultaneously raiding the Fed's capital surplus account.

Perhaps to soften the blow, they also included a handful of regulatory relief items that bankers, ABA and the state associations have been advocating, in some cases for years. But the presence of modest reg relief in the bill does not make up for the dangerous precedent it set by using banks to pay for highways and bridges. After all, the relief provisions, such as eliminating annual privacy notices for banks that don't change their policies, had strong bipartisan support. They could have—and should have—passed on their own, not as a quid pro quo.

But Congress is so plagued by dysfunction that it can pass little but spending bills. Which leads me to insult number two. After months—years, even—of bankers explaining how outdated and poorly tailored rules were choking credit and making things harder for bank customers, leaders in Congress had a chance to do something about it. They could have attached meaningful regulatory relief provisions—ones that had already been vetted by both the Senate and House banking committees—to its omnibus spending bill. But they chose not to.

While the reasons are many, including the need to woo votes from staunch defenders of Dodd-Frank, one should be enough to startle all of us into a new way of thinking about political engagement: Congress saw no downside in kicking banks around.

That has to change.

Banking is a hugely consequential industry. We fuel the economy by making loans that help businesses grow, consumers prosper and the economy expand. We employ nearly two million men and women who in turn lend their time, talent and leadership to countless civic and charitable causes. That means policymakers should do

Let's make the new year—  
an election year—a time to  
reset expectations, both our  
expectations of lawmakers and  
their expectations of us.

more than pause when they hear how laws and rules are harming our ability to do what we do. They should take action.

To get Congress to “yes,” in the future, we have no choice but to build our political muscularity. That means re-evaluating our industry's political engagement strategy and architecture. It means assessing the effectiveness of our tools, adding resources where needed and engaging far more bank employees in our grassroots efforts. And it means being much more deliberate in deciding which lawmakers to support with our dollars and manpower.

In short, it means showing Congress that America's hometown bankers mean business.

Make no mistake, ABA pulled out all the stops with our Pass Reg Relief Now campaign. Hundreds of bankers visited with lawmakers last fall when they were in town for state association Washington Visits and for various ABA council meetings. We ran ads inside the Beltway, in key states and on new media outlets like Pandora and SnapChat. But unfortunately, the unprecedented numbers of ads, visits, postcards, op-eds, emails and petitions weren't enough.

That's why we all must commit to “building muscle” in 2016. We need to engage more banks and employees in everything from fundraising to petition-signing, from hosting bank visits to introducing candidates to local business leaders.

Let's make the new year—an election year—a time to reset expectations, both our expectations of lawmakers and their expectations of us. We simply cannot endure another Congress that refuses to do what it takes to provide relief to America's hometown banks, their customers and their communities. ■

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



## ask the appraiser

BY SHERRY BREN | Executive Director | South Dakota Appraiser Certification Program

# Appraisal Reporting: Use and Format Issues



## Providing a Draft of a Report

**Question:** My client has asked that I provide a draft of my appraisal report prior to issuing the report in final form. Is this permitted under USPAP?

**Response:** USPAP does not explicitly define or address drafts of reports. When clients, other intended users and appraisers use the term draft, they may mean many different things, from preliminary spreadsheets to a written document that contains all that will be in the final report except it is labeled as draft and does not contain signatures. Report drafts have traditionally been part of certain types of appraisal practice but have never been considered acceptable in other types of appraisal practice.

State-regulated appraisers should be aware of applicable state laws and regulations. Many laws define a report as “any communication, written or oral, of an appraisal.”

Whatever a draft may be in a particular context, it would always be part of appraisal practice, because it is a valuation service provided by an appraiser. When performing a service that is considered appraisal practice, but for which there are no applicable standards rules, an appraiser must still comply with the portions of USPAP that apply generally to appraisal practice. These include the DEFINITIONS, the PREAMBLE, the ETHICS RULE, the COMPETENCY RULE and the JURISDICTIONAL EXCEPTION RULE.

The second sentence of the PREAMBLE states: *It is essential that appraisers develop and communicate their analyses, opinions and conclusions to intended users of their services in a manner that is meaningful and not misleading.* Additionally, the Conduct section of the ETHICS RULE states:

*An appraiser:*

*must not communicate assignment results with the intent to mislead or to defraud; must not use or communicate a report that is known by the appraiser to be misleading or fraudulent;*

Therefore, if an appraiser communicates with intended users prior to completion of an assignment, the communication must not be misleading.

The purpose of issuing a draft cannot be to allow the client to improperly influence the appraiser.

## Altering Appraisal Report Photographs

**Question:** I recently submitted an appraisal report to my client and was subsequently requested to alter the photographs I included in my report. Am I permitted to alter photographs per a client’s request?

**Response:** As with virtually every appraisal assignment, there are assignment conditions and contractual obligations with which the appraiser is expected to comply (provided the appraiser can produce credible assignment results and produce a report that is not misleading).

Clients sometimes request that photographs do not include certain items or entities that do not affect value. An appraiser may comply with such requests, except when doing so would result in a misleading appraisal report. For example, a photograph may include a person off to the side of the subject of the photo, and the appraiser may be able to crop the photo in a manner that would eliminate the person, but maintain a clear image of the subject of the photo. In this simple example, this would not be misleading, and the appraiser could comply with the client’s request.

On the other hand, a photograph depicting a relevant physical characteristic (e.g. physical defect) cannot be altered or deleted simply because of a client’s request.

**Notice:** South Dakota does not allow an appraisal management company to prohibit an appraiser from reporting the fee paid to the appraiser in the body of the appraisal report. Violation of ARSD 20:77:07:03 is grounds for disciplinary action against the appraisal management company.

**Notice:** Public information regarding disciplinary action taken against an appraiser is available upon written request to the South Dakota Department of Labor and Regulation’s Appraiser Certification Program at the address or email below. Include in the request for information the name of the appraiser and the appraiser’s city and state of residence. (Disciplinary action may include denial, suspension, censure, reprimand or revocation of a certificate by the department.) ■

If you have an appraisal related question that you would like to have answered in the “Ask the Appraiser” column, submit it to Sherry Bren, executive director of the Appraiser Certification Program, 308 S. Pierre St., Pierre, SD 57501, fax 605.773.5405 or by email at [Sherry.Bren@state.sd.us](mailto:Sherry.Bren@state.sd.us).

## ira question & answer

BY JULIE K. ROBINSON, CISP | Manager of Compliance | Convergent Retirement Plan Solutions, LLC



### Did the omnibus spending bill passed by Congress in December of 2015 make changes that will affect IRA providers?

On Friday, Dec. 18, 2015, Congress presented, and President Obama signed into law, the “Consolidated Appropriations Act of 2016.” In addition to funding the federal government through September of 2016, the mammoth piece of legislation includes numerous tax provisions, several of which directly affect IRA providers including the reinstatement and permanency of qualified charitable distributions.

The following is a high-level summary of the key changes affecting IRA providers.

**Qualified Charitable Distributions:** The Act reinstates for 2015—and makes permanent—the option for certain IRA owners (and beneficiaries) to make tax-free qualified charitable distributions (QCDs) from IRAs. A qualified charitable distribution (QCD), which is a charitable gift, is a nontaxable distribution made directly by the custodian/trustee of an IRA to a qualified charitable organization eligible to receive a tax-deductible contribution. While a QCD is not subject to federal income tax, there is no tax deduction allowed for the charitable contribution. Individuals who attain age 70½ or older are eligible to make a QCD of up to \$100,000 per year. Any QCDs made during a given year count toward satisfying the amount that must be taken as a required minimum distribution for that year.

**Rollovers to SIMPLE IRAs:** The Act expands the types of contributions that may be made to SIMPLE IRAs. Specifically, the Act opens the door for SIMPLE IRAs to accept most types of rollover contributions (e.g., rollovers from Traditional IRAs and from qualified employer plans) once a SIMPLE IRA has satisfied the initial “two-year period” requirement.

### Rollover/Recharacterization of Certain Airline

**Payments:** Under prior legislation, airline employees who received certain settlement payments from the airline industry as part of airline bankruptcy proceedings were eligible to roll qualifying payment amounts to a Roth IRA or Traditional IRA (and, in certain instances, recharacterize rollover amounts from a Roth IRA to a Traditional IRA). The Act extends the deadline for certain qualifying individuals who are the recipients of such airline payments to the later of June 15, 2016, or 180 days following receipt of the payment.

**Form 1099-R Error Corrections:** The Act creates a safe harbor for corrected Form 1099-R reporting. Beginning with 2016 distribution reporting, unless requested to do so by the distribution recipient, financial organizations need not generate a corrected Form 1099-R for distribution amount errors of \$100 or less, or withholding amount errors of \$25 or less.

**Beyond IRAs:** The Act also expanded the definition of qualified education expenses as it relates to Coverdell Education Savings (i.e., computer equipment, software, and services used by beneficiaries during post-secondary education), expanded the definition of what types of public safety employees can qualify for penalty-free distributions from an employer-sponsored plan if they separate from service with the employer after attaining age 50 as well, the Act made a number of changes to the laws governing certain types of retirement plans maintained by churches (i.e., “church plans” as defined in IRC Sec. 414(e)). ■

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Convergent Retirement Plan Solutions, LLC is the SDBA’s endorsed IRA provider. If you have an IRA or retirement plan related question that you would like to have answered, submit it to Julie K. Robinson, CISP, manager of compliance, Convergent Retirement Plan Solutions, at [Julie.Robinson@Convergentrps.com](mailto:Julie.Robinson@Convergentrps.com).

## FDIC Approves Extended Exam Cycle for Small Banks

The FDIC on Jan. 21, 2016, approved an interim final rule extending the on-site exam cycle for banks with up to \$1 billion in assets from 12 months to 18 months, effective immediately. Previously, the 18-month exam cycle was only available to institutions with asset sizes less than \$500 million.

This regulatory change—long advocated as part of ABA’s Agenda for America’s Hometown Banks—was included in the 2015 year-end highway bill as a result of strong advocacy efforts by ABA and the state

associations. The measure will qualify an estimated 617 institutions for the extended exam cycle.

“The 18-month cycle will reduce the burden on well-managed community banks and thrifts,” said Comptroller of the Currency Thomas Curry. “It will also allow the federal banking agencies to focus our supervisory resources on those institutions that need it most.”

Read more at [https://fdic.gov/news/board/2016/2016-01-21\\_notice\\_dis\\_a\\_fr.pdf](https://fdic.gov/news/board/2016/2016-01-21_notice_dis_a_fr.pdf). ■

## Management Changes at Dacotah Bank, Brookings



Steve Carnes

Dacotah Bank in Brookings has a new market president. Steve Carnes accepted the position following the retirement of Dave Gibson. Carnes has previously worked as a bank president and loan officer with a focus on agriculture and business lending. He has been with Dacotah Bank since 2014.

Gibson announced his retirement after nine years with Dacotah Bank.

He started in 2006 as a business banker and had been the Brookings market president since 2007.

Carnes spent the majority of his career in southeastern South Dakota and worked most recently as the community bank president at ANB Bank in Buffalo, Wyo. He also was vice president-market manager at Home Federal Bank in Mitchell from 2006 to 2012. From 1996 to 2004, he served as the vice president-ag/commercial banking at First National Bank South Dakota in Yankton.

Carnes has been involved with various industry and community organizations throughout his career. He has served as the board president of the Mitchell Chamber of Commerce, as well as a board member for Junior Achievement, Lions and Rotary clubs. In 2003, he was chairman of the SDBA's Agricultural/Commercial Lending Committee.

"I am excited to be in Brookings and to become part of the community. Brookings has a vibrant business community, and I look forward to working with the businesses and ag operators in this area to help them achieve their goals and aspirations," Carnes said.

Carnes is a SDSU graduate with degrees in agricultural business and commercial economics. ■

## Convergent Technologies Acquires Dakota Security Systems

Convergent Technologies, a global leader in service-based systems integration, announced on Jan. 4, 2016, the acquisition of Dakota Security Systems, an SDBA associate member. Founded in 1976, Dakota Security Systems is a premier security integration company based in Sioux Falls and has offices in Arizona, New Jersey and throughout the upper Midwest.

"We are very excited to have Eric Yunag and his entire team join the Convergent Technologies family," said Dan Moceri, executive chairman of Convergent Technologies. "They have built a strong business. The addition of Dakota Security Systems continues



Convergent's aggressive growth in building out a world-class systems integrator."

Dakota Security Systems strengthens Convergent's position in North America with an expanded geographical reach and access to new vertical markets. Together, they form one of the most robust physical security and fire solution providers in the industry.

"Combining with Convergent is the perfect strategic and cultural fit for Dakota Security," said Eric Yunag, president/CEO of Dakota Security Systems. "I am confident that the talents of the combined companies will strengthen our ability to meet the evolving security needs of our customers for years to come."

Convergent Technologies and Dakota Security Systems share in a cultural dedication to customer service. The joint organization provides a diverse range of service-focused security and fire solutions, including system design, integration, installation, training and support services with a highly experienced workforce throughout the nation.

"2015 was another year of double digit growth for Convergent, and we are very excited to start 2016 with the addition of Dakota Security Systems," said Ken Lochiatto, president/CEO of Convergent Technologies. "Our focus on being our customer's best service provider is fueling this growth, and Dakota Security's capabilities further strengthen that focus."

Convergent Technologies is an industry-leading organization that designs, installs and services integrated building systems including electronic security, fire alarm and life safety systems. To learn more about Convergent, visit [www.convergent.com](http://www.convergent.com). ■

## Kyle Thomas Awarded Scholarship

Kyle Thomas is the recipient of a \$1,500 scholarship at Lake Area Technical Institute (LATI) from the South Dakota Bankers Foundation (SDBF).

Thomas, who is from Watertown, is a second-year student in the financial services program at LATI. He also works at Home Federal Bank.

"With the help of this scholarship, I will become the first one of three kids in my family to receive a college degree and help pursue the career that I found out that I really love working in," Thomas said in a thank you letter to the South Dakota Bankers Foundation.

"When I decided to go to Lake Area Tech, I found out that being in financial services really gave me the feeling that this is something that I want to do with the rest of my life."

SDBF annually awards a \$1,500 scholarship to a student majoring in consumer banking or agri-banking at LATI. Learn more about all of SDBF's scholarships at [www.sdba.com/college-scholarships](http://www.sdba.com/college-scholarships). ■

## classifieds

### **Ag/Business Banker, Dacotah Bank**

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 an ag/business banker. This position manages relationships with community banking agricultural customers; prospects and develops new customer relationships; retains and expands existing customer relationships; with the potential for management opportunities in the future. Three to five years of experience with agricultural lending and the ability to manage a diverse portfolio are preferred. This is a great opportunity to build your career in the banking field. We offer an excellent benefits package, a competitive salary, and an enjoyable work environment. Visit us online for further details at: [dacotahbank.com/careers](http://dacotahbank.com/careers). Dacotah Bank is an EOE/M/F/Vet/Disability & a VEVRA Federal Contractor; request priority referral. ■

### **Ag Banker, Dacotah Bank, Hettinger, N.D.**

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 an ag banker in Hettinger, N.D. This position manages relationships with community banking agricultural customers; prospects and develops new customer relationships; retains and expands existing customer relationships; with the potential for management opportunities in the future. Three to five years of experience with agricultural lending and the ability to manage a diverse portfolio are preferred. This is a great opportunity to build your career in the banking field. We offer an excellent benefits package, a competitive salary, and an enjoyable work environment. Apply online at: [dacotahbank.com/careers](http://dacotahbank.com/careers). Dacotah Bank is an EOE/M/F/Vet/Disability & a VEVRA Federal Contractor; request priority referral. ■

### **Agri-Business Loan Officer, First Dakota National Bank, Kimball, S.D.**

First Dakota National Bank is seeking an agri-business loan officer in our Kimball location. The successful candidate will be

responsible for managing an established group of ag clients, expanding these existing relationships and developing new relationships within the ag community. For the right candidate, this position offers the opportunity for upward mobility, growth and expanded responsibilities. Eventual branch management is possible for a candidate with proven leadership skills. Preference will be given to candidates with a bachelor's degree, along with experience in production agriculture and agri-business lending. First Dakota, which has total assets exceeding \$1.2 billion and a financial team of more than 340 dedicated banking professionals, offers competitive compensation and benefits programs that include medical, dental, life, short and long-term disability, PTO, career apparel and a 401(k) retirement plan. The successful applicant must pass pre-employment screening that includes credit history and a background check. Please apply at [www.firstdakota.com/EmploymentApplication.aspx](http://www.firstdakota.com/EmploymentApplication.aspx). ■

### **Business/Ag Lender, Miner County Bank, Howard, S.D.**

Miner County Bank of Howard and Canova is looking for a high potential lender with business development skills. Successful applicants will need strong customer relationship skills and the ability to think independently. Agriculture background with strength in cow/calf financing is preferred, but not required. Preference will be given to candidates with local or rural background. Applicants should have a degree in business, agriculture, finance or related field. For a proven performer, the career path can progress to lead executive for Miner County Bank. Miner County Bank is owned by a unique, independently-owned bank holding company whose controlling interest is held by subsidiary banks' executive management teams. Bank officers that demonstrate strong work ethic, team approach and great concern for customers shall be considered for future holding company ownership. Miner County Bank seeks to be a progressive lender and a lead agriculture bank. Become a part of a community bank that encourages you to stretch beyond your current work experience and education. Please submit resume to: Miner County Bank, Attn: Don D. Nolan, P.O. Box 129, 217 S. Main, Howard, SD 57349. ■

### **Commercial Loan Officer, Pioneer Bank & Trust, Rapid City, S.D.**

Our client, Pioneer Bank & Trust located in Rapid City, S.D., is seeking a highly-motivated individual to join its lending team in the position of a commercial loan officer. The successful applicant will be responsible for developing, servicing and retaining profitable customer relationships. Qualifications include a bachelor's degree in accounting, finance or business. The individual must demonstrate strong communication and leadership skills and be committed to participate in and promote community activities. A minimum of five years of experience as a commercial lending officer is preferred. Pioneer Bank & Trust is a locally-owned, totally-independent community bank that has been serving the banking needs of western South Dakota since 1913 and offers a comprehensive compensation and benefits package. Pioneer Bank & Trust is proud to be an affirmative action/equal opportunity employer. EOE AA M/F/Vet/Disability. To apply, please visit [www.eidebailly.com/careers/positions-with-clients](http://www.eidebailly.com/careers/positions-with-clients). ■

### **Compliance Officer, Fishback Financial Corporation, Brookings, S.D.**

Fishback Financial Corporation is looking for an individual to fill a compliance officer position. This person should have a bachelor's degree and a minimum of two years of experience as a compliance professional or experience in dealing with risk in other areas of banking, or the equivalent. In addition, this individual should have a compliance certification from at least one bank trade association. Strong written and verbal communication skills are required along with strong analytical and problem-solving skills. This individual should have an above-average knowledge of Microsoft Office application. For more information and to apply online, please visit our website at [www.bankeasy.com](http://www.bankeasy.com). ■

### **Loan Officer, Security First Bank, Rapid City, S.D.**

Security First Bank in Rapid City, S.D., is currently seeking an experienced loan officer to provide services to existing and prospective customers seeking all types



## classifieds

of loans with an emphasis on commercial lending. Duties include initiating loan applications, evaluating credit data, cash flow statements and collateral. The qualified candidate must have strong financial analysis, communication and customer service skills. An undergraduate degree in finance or accounting or equivalent experience required. We offer an excellent benefits package and a competitive salary. Security First Bank is an Equal Opportunity/Affirmative Action Employer. All qualified applicants will receive consideration for employment without regard to race, color, religion, sex or nation origin. We are also an equal opportunity employer of individuals with disabilities and protected veterans. To apply, visit <https://security1stbank.com/careers/>. ■

### Portfolio Manager for In-State Loan Programs, Montana Board of Investments

Responsibilities: The Montana Board of Investments' portfolio manager is responsible for the overall management of various commercial, residential and economic development programs. Duties include administering the in-state loan programs by having expert knowledge of their respective eligibility requirements and benefits, especially regarding subsidized loan rates as set by statute and by Board policy. The position is responsible for leading the credit underwriting and loan structuring elements with participating lenders. The position regularly reports to the Board's Loan Committee and full Board about the status of the programs with respect to pending loans, balances, credit conditions, job creation success and outreach efforts. Qualifications and Requirements: Seven years of direct and varied commercial loan experience.

Excellent due diligence and loan contract negotiation, loan structuring and execution skills. Operational, logistical and accounting familiarity with commercial and mortgage loans. Ability to be an advocate for the Board's in-state loan programs. Ability to administer the programs to maximize their use but minimize potential losses. Strong verbal and written communications skills. Ability to be effective with bankers, program users and public officials, including legislators. Qualified applicants should send a cover letter and resume via email to: [MBOIINSTATE@mt.gov](mailto:MBOIINSTATE@mt.gov). Please see full job description at <http://investmentmt.com/LoanPrograms>. ■

### Retail Banking Manager/Private Banker, Liberty National Bank, Dakota Dunes, S.D.

Liberty National Bank is seeking a retail banking manager/private banker that is hard working, motivated and has prior banking experience. Responsibilities include overall leadership and management of retail banking and related activities in the bank's branches including sales, service, policies, procedures, tracking mechanisms, and financial/compliance standards, growth of the bank's core deposits and customer relationships and establishing new customer relationships and retain existing customer relationships through performing the opening of new demand deposit accounts, CDs, IRAs and other retail banking products. Requirements include a bachelor's degree and 15 years of previous experience; or equivalent combination of education and experience. Please submit resume to Carrie Nothdurft, Liberty National Bank, 3520 S Louise Ave, Sioux Falls, SD 57106 or email [carrien@libertynationalonline.com](mailto:carrien@libertynationalonline.com). Liberty National Bank is an Equal Opportunity Employer. ■

### Seeking Ag/Commercial Lender Position

Seeking position with a full-service bank in the tri-state area. I am currently in ag business in the area, with a sales/management background. Have mortgage lending experience as well. I also have a marketing, general credit evaluation background. A South Dakota State University graduate, I feel I can obtain new bank business, both agricultural and commercial. Would like to develop a long-term relationship with your bank clientele in a professional, courteous and conservative manner. Please consider me in confidence to the following email address: [desimonssez@sio.midco.net](mailto:desimonssez@sio.midco.net). Thank you. ■

### Senior Internal Auditor, First Savings Bank, Sioux Falls, S.D.

First Savings Bank has an opening for a full-time senior internal auditor to work at our Sioux Falls, S.D., location. This individual will oversee the bank's audit program, including independently planning and conducting internal audits and tests of controls. The successful candidate will be responsible for developing a risk-based audit program, with reporting to the bank's audit committee and management. Qualifications include a BA degree in accounting and a minimum of two years of experience in bank auditing. This position will give you an opportunity to join a progressive, growing banking organization that offers a competitive salary and a competitive benefits package including paid holidays, vacation, medical, dental and vision insurance, cafeteria plan and 401(k) plan. Successful applicants must pass pre-employment screening including credit history and criminal record check. Please submit resume by email to [careers@firstsavingsbanks.com](mailto:careers@firstsavingsbanks.com). Equal Opportunity Employer ■

*If you have a job opening at your bank or something to sell, send your classified listing via email to [ademers@sdba.com](mailto:ademers@sdba.com) and we will post it on the SDBA website, print it in one issue of the South Dakota Banker Magazine and include it in the SDBA 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

### 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 Emerging Leaders Forum

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

### ABA Government Relations Summit

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

### ABA Women's Leadership Forum

March 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

## Webinars

The following are available as live webinars and/or recorded seminars. For more information and additional webinars, visit [www.sdba.com/webinars](http://www.sdba.com/webinars).

- Feb. 8, 2016: What Bankers Need to Know About Loan Participations
- Feb. 10, 2016: Setoff
- Feb. 17, 2016: Check Fraud
- Feb. 18, 2016: Onboarding Your New Hire
- Feb. 18, 2016: TRID Compliance Hot Spot
- Feb. 22, 2016: Call Report for Beginners—5 Parts
- Feb. 22, 2016: Names and TINs: 15 Reasons They May Not Match

- Feb. 23, 2016: The Banker of the Future—Becoming a Universal Banker
- Feb. 23, 2016: Flood Insurance: Latest Updates and Issues that Continue to Plague Lenders
- Feb. 24, 2016: Beware! Signature Cards Liability and Compliance
- Feb. 25, 2016: Opening Accounts for Nonresident Aliens: New W-8BEN, W-8BEN-E and Due Diligence Rules
- Feb. 25, 2016: Compliance Perspectives
- Feb. 29, 2016: Call Report for Beginners—5 Parts
- Feb. 29, 2016: How to Hire Bankers Who Will Sell
- March 3, 2016: BSA
- March 7, 2016: Call Report for Beginners—5 Parts
- March 8, 2016: Analyzing Tax Returns for Mortgage Decisions
- March 8, 2016: Health Savings Accounts
- March 9, 2016: Now You're The Supervisor
- March 10, 2016: Notary

## 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, 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](http://www.sdba.com).*

Beyond the Fundamentals

# 2016 National School for Experienced Ag Lenders

**June 20-23, 2016**

**Black Hills State University  
Spearfish, South Dakota**

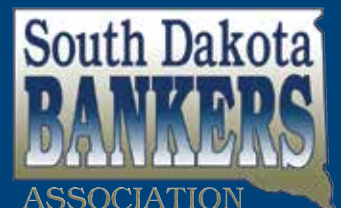


**This school will be limited to 60 students. Visit [www.sdba.com](http://www.sdba.com).**

The **National School for Experienced Ag Lenders** targets ag lenders with a good knowledge of financial analysis in ag lending who desire further training in analyzing and troubleshooting more complex and problem credits. It is rare that a school has this caliber of instructors, including ag guru Dr. Dave Kohl and three national award winners for their contributions to the ag industry.

*"A course like this cannot be learned through an online class. The group discussion and on-site instructors simply cannot be replaced. The depth of the case study was unmatched. Topics and instructors were excellent."*

*– Luke Moulton, Unity Bank, Rush City, Minn.*





# DAKOTA SECURITY IS NOW CONVERGINT TECHNOLOGIES

## LOCAL RESPONSE, GLOBAL CAPABILITY

We are the 4th largest security integrator in the world with 65 locations across the globe including 55 locations in the United States.

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Our commitment to training allows us to solve even the most difficult security problems.

## VALUE-ADDED SERVICES

Offering an extensive array of capabilities and resources to meet your security and life-safety needs.

## MAKING A DAILY DIFFERENCE

With a culture of integrity, accountability, and excellence, we are committed to being your best service provider.

## A GLOBAL SERVICE-BASED SECURITY INTEGRATOR

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VIDEO SURVEILLANCE



ACCESS CONTROL



INTRUSION ALARM



DRIVE-UP SECURITY



PHYSICAL SECURITY