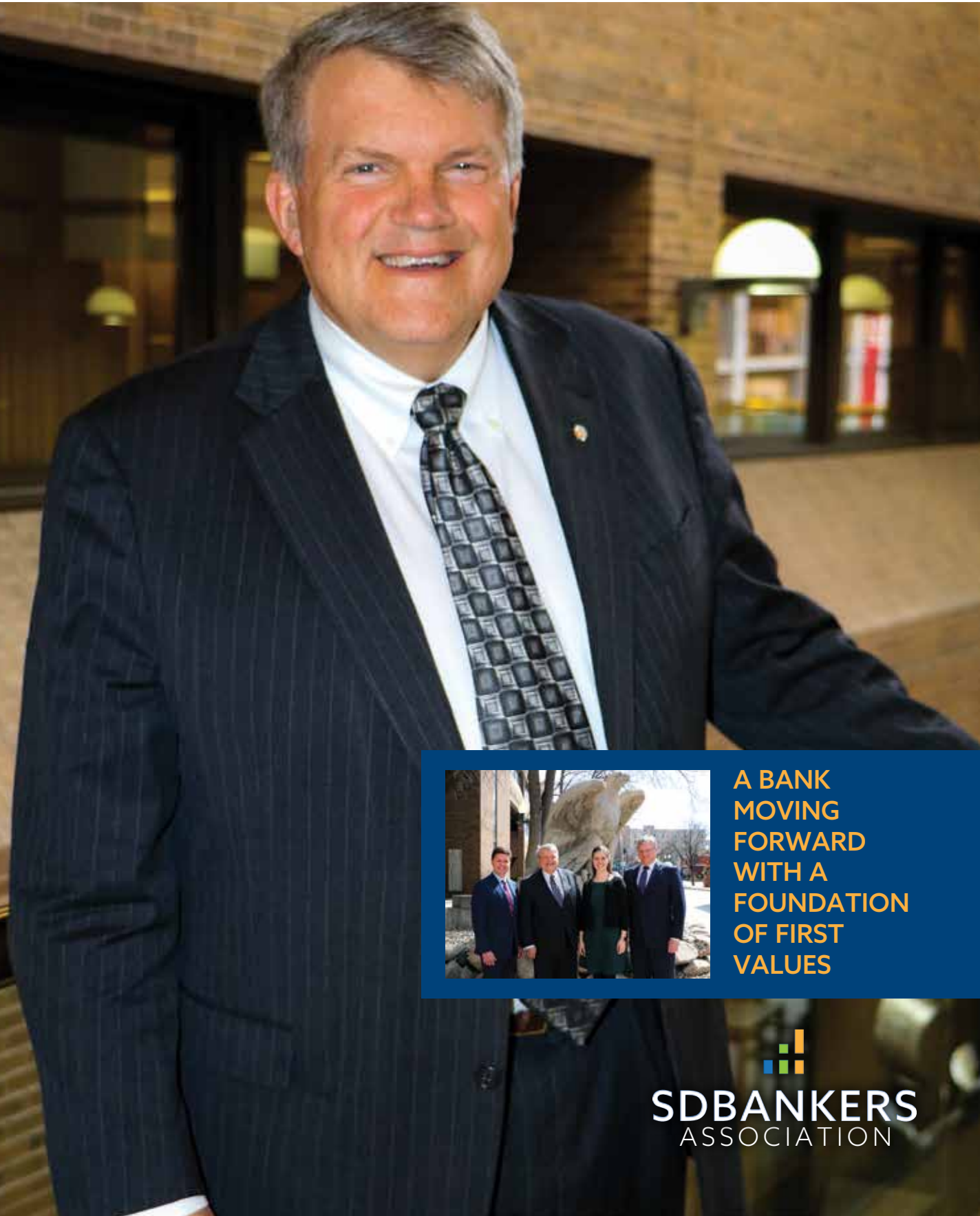


SDBANKER



OFFICIAL PUBLICATION OF THE SOUTH DAKOTA BANKERS ASSOCIATION | **APRIL 2019**



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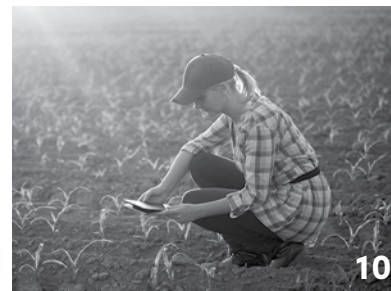
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message from the chairman.....

BY KARL ADAM | Market President | First Dakota National Bank, Pierre

End of a Season, Beginning of Another

I began this article the evening of March 13 as area weather forecasters and South Dakota communities were preparing for winter storm Ulmer. We closed the bank at 3 p.m. that afternoon to ensure our team could make it safely home and to prepare for what was to come.

Just 12 hours earlier, the 2019 State Legislature was gaveled "adjourned" as Governor Noem's budget passed the House and Senate in the wee hours of March 13, with one final day later in March to return to Pierre for "veto day."

The 2019 legislative season is now in the history books, and as I wrap up my article, so is winter storm Ulmer. Both seasons left memorable impressions.

The SDBA anticipated this legislative season to be stimulating for legislators and bankers alike. This season featured a new class of legislators, not inescapably knowledgeable of bankers' likes and dislikes, but were very engaging and considerate of our industry concerns. This season also included working

with our newly-elected Governor as she and her newly-minted team worked the halls of the capitol, sharing her faithfulness to the process.

These expectations did not disappoint. We challenged our banking membership to contact their elected officials to bring local perspective to proposed legislation that affected our industry. We asked our banker CEOs and executive officers to get their banks' emerging leaders involved in the SDBA, in addition to forging ahead with planning our second Lead Strong: Women in Banking Conference. This event will take place Oct. 9-10, 2019, in Sioux Falls.

As the spring season is now upon us, I want to thank all of you for your purposeful engagement with the SDBA and our legislators during this very important time. ■■

Karl Adam is market president at First Dakota National Bank in Pierre. Adam can be reached at 605.945.5513 or kadam@firstdakota.com.

Registration Open for 2019 Annual Convention

Evolving digital technologies, shifting consumer preferences and increasing competition are creating new challenges for banks. As the banking industry is being transformed, there is uncertainty around what the future of the industry will look like over the next decade. Are you ready to re-imagine the future of banking?

The SDBA invites you to **FOCUS FORWARD** at the 2019 SDBA/NDBA Annual Convention June 2-4 at the Sioux Falls Convention Center & Sheraton Sioux Falls. Attendees can explore new pathways, seek innovative partners and motivate to embrace the future of banking at this year's annual convention. Events include:

- "Above + Beyond Cancer" by Dr. Richard Deming
- "Dancing to the Oldies" by V.J. Smith
- "What's Wrong With Them? The Importance of Diversity" by Dr. Susan Kalsow



- "Focusing Forward: What's Coming, What Matters & What to Do Next" by Lee Wetherington
- Social Media Panel: "How to Position Your Bank for Relevancy in Today's Digital/Social Age" led by Eric Cook
- "Will the Real Economy Stand Up?" by Dr. Christopher Thornberg
- Ignite Talks
- Monday afternoon golf tournament or downtown Sioux Falls tour
- Guest sessions "Who's in Charge...You or Your Stuff?" and "Ripple Notes"
- Sunday night Welcome Party, Monday night Futuristic Party and Tuesday night reception, dinner and entertainment by Time Machine

Registration for the 2019 Annual Convention is now open. The early bird deadline to save money on your registration fee is May 8. See the full agenda and register to attend at www.sdba.com/convention. ■■



from the executive office.....

BY CURT EVERSON | President | South Dakota Bankers Association

Make the NCUA Board Do its Job

Effective public policy advocacy for this nation's tax-paying banks includes efforts to inform policy makers of the activities of tax-exempt competitors that call the justification for those exemptions into question.

In an op-ed published Feb. 13, 2019, in the *Credit Union Journal*, my good friend John Sorensen, president and CEO of the Iowa Bankers Association, provided solid justification for the need for new blood on the board of directors of the National Credit Union Administration. In a related Tweet, I suggested it is high time for both Congress and the NCUA to take an objective, current-day look at the business model of billion-dollar, tax-exempt credit unions. Because I doubt many SDBA members read the *Credit Union Journal* or are active on Twitter, I felt that Sorensen's suggestion of the need for a new direction at the NCUA was worthy of reprinting in *SDBANKER Magazine*. Here it is:

OPINION: Congress, Make the NCUA Board Do its Job

By John Sorensen on Feb. 13, 2019



With confirmation hearings tomorrow for two new nominees to the National Credit Union Administration Board—a majority of that three member body—it's time to recognize that the agency is out of touch and needs a new direction.

A federal judge once called NCUA a "rogue federal agency" that acts like a trade group protecting the industry that it is charged with overseeing. Under current leadership, that has never been truer. While recent headlines have focused on how the agency's leadership cozies up to industry lobbyists with expensive dinners and fine whiskey while the chairman runs the Virginia-based agency from his home in Dallas, lost is that the agency can't say no.

The NCUA has a long record of doing virtually everything the industry asks, and that has only accelerated under current leadership. Those moves, often inconsistent with the law, call into question how seriously the agency takes its obligation to ensure safe

and sound industry operations. Senators should ask the new nominees if they are prepared to call for the agency to hit the reset button and hold credit unions to their intended mission.

Credit unions are, of course, exempt from federal and most state income taxes. In return, they have significant statutory restrictions on their operating environment—rules that do not seem to intimidate the NCUA.

Credit unions must serve limited groups or local communities, but NCUA has chipped away at these requirements so they are functionally irrelevant—a court partially overturned their newest field of membership regulation last year. Credit unions were created to serve those of modest means, but NCUA does not actually require this, and the industry has fought application of the Community Reinvestment Act or other legal requirements that it do so.

Credit unions are instructed by Congress to focus "on consumer rather than business loans," but NCUA recently permitted a significant expansion into complex commercial lending. Credit unions are owned by their depositors and supposed to operate not-for-profit, but NCUA is currently considering whether to allow profit-seeking institutional investors, like mutual funds and hedge funds, to invest.

The agency has become a mini-legislature, providing through regulation the charter enhancements Congress has explicitly rejected, wrapped in the inaccurate narrative of "regulatory relief."

Some of their requests alter how the marketplace functions. While bank regulators raised exemptions from real estate appraisal requirements from \$250,000 to \$500,000 last year, NCUA raised its own exemption from \$250,000 to \$1 million, with no reasonable explanation why. While all financial institutions are subject to the jurisdiction of the Consumer Financial Protection Bureau, NCUA's chairman has twice sought exemptions from CFPB regulation and supervision for credit unions, simply because they're credit unions. (In case you're wondering, yes, the bureau has uncovered anti-consumer practices at credit unions, such as one that made false threats about debt collection to service members).

Continued on page 7



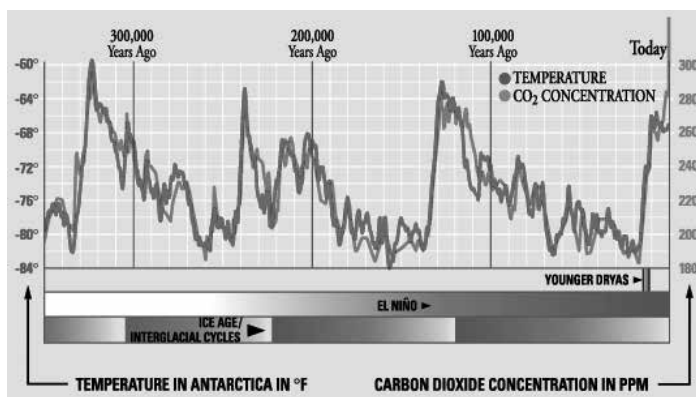
A Perspective on Global Warming

Climate change is real. The climate changes all the time, and it changes on its own volition. Man can neither create, change, effect or modify the weather. There has been some use of silver iodide to seed clouds in hopes to initiate rain but with little success and nothing long-lasting.

Green New Deal (GND), which is a set of proposed economic stimulus programs in the U.S. aiming to address climate change and economic inequality, is not practical and very small minded as we deal with all the real issues that face our country. It is not worth the time or effort to address all of the hypothetical fabrication wrapped in the GND.

What does need to be exposed is the massive amount of real scientific research accomplished by a little-known Serbian mathematician and geophysicist, Milutin Milankovitch. What he accomplished was quite remarkable. Milankovitch's research documented the glaciation periods of the earth over the course of 800,000 years and graphed the research that is easy to follow with scientific proof how climate is a natural phenomenon and man has little to no effect on the outcome of weather. The real driver of weather is solar energy, and contrary to popular belief, CO₂ does not control the temperature of the earth. It is quite the opposite. CO₂ acts as an insulator.

The last ice age ended 25,000 years ago, and at that time temperatures started to increase. We are still a long way away from the industrial age and there were not enough cows to affect the CO₂. Note how the CO₂ follows the rise and fall of temperature.



Scientists have documented through core samples in Antarctica the ocean floors and glacial ice samples 800,000 years of temperature/CO₂ levels, and it coincides exactly with Milankovitch cycles. It takes approximately 120,000 years to complete a cycle from glacial to warm.

Milankovitch Cycles

Milankovitch cycles involve positioning of the earth in orbit to the sun and three distinct variables that make all the difference in our weather. The three variables that control our weather are eccentricity, obliquity and precession. Let's take a closer look at each of these variables to help understand just how little man has to do with global warming.

Eccentricity is the shape of the orbit of the earth around the sun. Changes in orbital eccentricity affect the Earth-sun distance. Currently, a difference of only 3 percent (3.1 miles) exists between closest approach (perihelion), which occurs on or about Jan. 3, and furthest departure (aphelion), which occurs on or about July 4. This difference in distance amounts to about a 6 percent increase in incoming solar radiation (insolation) from July to January. The shape of the Earth's orbit changes from being elliptical (high eccentricity) to being nearly circular (low eccentricity) in a cycle that takes between 90,000 and 100,000 years. When the orbit is highly elliptical, the amount of insolation received at perihelion would be on the order of 20 to 30 percent greater than at aphelion, resulting in a substantially different climate from what we experience today.

Obliquity is the tilt of the axis of the earth—between 22.5 and 24.5 degrees. As the axial tilt increases, the seasonal contrast increases so that winters are colder and summers are warmer in both hemispheres. Today, the Earth's axis is tilted 23.5 degrees from the plane of its orbit around the sun. But this tilt changes. During a cycle that averages about 40,000 years, the tilt of the axis varies between 22.1 and 24.5 degrees. Because this tilt changes, the seasons as we know them can become exaggerated. More tilt means more severe seasons—warmer summers and colder winters. Less tilt means less severe seasons—cooler summers and milder winters.

Continued on next page

Two HSA Webinars Available in May

Health savings accounts (HSAs) are becoming the popular health care choice for employers offering coverage to employees and individuals/families not covered by employer-sponsored health care benefits. JM Consultants is offering two health savings account (HSA) webinars in May.

An Introduction to HSAs Webinar will be held on May 7. This webinar will provide a solid foundation of operational and compliance issues associated with providing HSAs to customers, including opening, maintaining and distributing procedures.

Attendees will learn eligibility requirements, required documents to establish an HSA, contribution limits, portability rules, distribution provisions for qualified medical expenses, beneficiary options and compliance issues.

As the nationwide growth of HSAs continue to

rise, financial organizations are beginning to see more complex transactions due to increased customer activity. This activity requires personnel to review their existing HSA procedures to ensure transactions are handled properly.

HSAs: Beyond the Basics Webinar will be held on May 14. This webinar will explore the areas of employee eligibility, handling excess and mistaken distributions, investment diversification and product expansion, including how HSAs are being touted as a retirement savings vehicle in addition to a health care coverage option.

Both webinars begin at 9:30 a.m. CDT and are scheduled to last 70 minutes. The cost for each webinar is \$185, and additional bank branch connections are \$60 per connection. Learn more and how to sign up at www.sdba.com/events. ■■

Global Warming...continued from previous page

It's the cool summers that are thought to allow snow and ice to last from year-to-year in high latitudes, eventually building up into massive ice sheets. There are positive feedbacks in the climate system as well, because an Earth covered with more snow reflects more of the sun's energy into space, causing additional cooling.

Precession is the direction the axis is pointing. Earth wobbles like a spinning top. It takes 26,000 years to complete an entire cycle. The Earth's axis is now pointing to Polaris (North Star), and in 13,000 years it will be pointing to Vega as the new North Star. There is a constant tug of war between the sun and moon that changes the direction of the axis.

These three cycles cause a variation in the amount of solar energy reaching the Earth. Remember, these cycles have been in a repetitive cycle for millions of years. Scientific research has allowed us to document their existence and measure their effect on the formation and retreat of glaciers. The temperature/CO2 levels coincide exactly with Milankovitch cycles, and these cycles will continue on their methodical path for the next millennial.

By the way, Milutin Milankovitch was born in 1879 and died in 1958. Think of what our kids could learn if they were taught a little real science and history. ■■

Source: <https://earthobservatory.nasa.gov>

Mike Feimer is president of the South Dakota Bankers Insurance & Services, Inc. in Yankton. Feimer can be reached at 605.660-2341 or mfeimer@sdba.com.

NCUA...continued from page 5

Credit unions even get the chance to have a voice in the agency's budget, immodestly noting that recent agency staff reductions have led to "fewer regulatory and supervisory impediments" in the marketplace.

A recent trend is not-for-profit credit unions buying commercial banks. NCUA does not stop these transactions, which permanently remove a taxpaying entity from income tax rolls. That's like a corporate inversion without moving to Bermuda, and at least 25 acquisitions have been announced since 2012. The deals are now so commonplace there are consulting firms that specialize in credit union/bank M&A.

However, this is a one-way street. NCUA has long made it extraordinarily difficult for credit unions to become banks. In one case, the agency rejected a potential conversion because it didn't like the direction a piece of paper was folded. You can't make it up.

It's time for this to stop.

NCUA is putting its thumb on the scale in the marketplace through its actions, when it is supposed to be focused on ensuring that credit unions operate in a safe and sound manner. NCUA is supposed to call balls and strikes, not be a player in the game. The regulatory environment NCUA creates comes at the expense of community banks, and ultimately the communities they serve. Members of the NCUA board should stop drinking the industry Kool-Aid and focus on the job they're there to do. ■■

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

Two Companies Join SDBA as Associate Members

The SDBA Board of Directors has approved Crescent Mortgage Company and Strategic Resource Management as new SDBA associate members.

Crescent Mortgage Company

Contact: Rick McKinley, CMB, VP, Upper Midwest

Address: 600 Peachtree Dunwoody Rd, 600 Embassy Row, Suite 650, Atlanta GA 30328

Email: rmckinley@crescentmortgage.net

Phone: 800.851.0263

Website: www.crescentmortgage.com

Crescent Mortgage Company is a secondary market mortgage lender, purchasing home loans through non-delegated correspondent and wholesale delivery channels, with no recourse in our agreement for anything other than employee fraud. Crescent Mortgage offers a turn key, total fulfillment solution, including our loan origination system (Motion), eDisclosures and fully-integrated DocuSign, underwriting, compliance review, closing doc prep and delivery, customer and bank facing mobile apps, as well as a contract processing and fulfillment option, all included within our agreement. In addition to our systems and processes, a short list of our product menu would include one-time close construction and renovation, Fannie Mae and Freddie Mac products up to 97 loan-to-value, FHA, VA, USDA and multiple jumbo options. You can deliver as a correspondent, and therefore close in your name for all loan types, including FHA if you possess a HUD approval. FHA is available without a HUD approval through the sponsored originator (wholesale) channel.



Our conventional conforming (\$484,350 and below) construction to perm and renovation to perm loans allow for loan-to-values up to 95 percent as well as a rate cap/float down option for up to 13 months. In every case, you fund the construction and manage the draws, allowing you the interest income during construction and the freedom to operate the way you are accustomed. Once the home is complete, we modify the loan to its final fixed rate product and purchase it. For more information please contact Rick McKinley, CMB, VP, at 763.458.4051 (cell).

Strategic Resource Management

Contact: Patti Wubbels, SVP

Address: 5100 Poplar Ave, Suite 2500, Memphis TN 38137

Email: pwubbels@srmcorp.com

Phone: 901.681.0204

Website: www.srmcorp.com



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Bankers Needed to Serve on SDBA Standing Committees

The SDBA is seeking bankers to serve on its four standing committees for 2019-2020: Agricultural Credit Committee, Credit Card Committee, Legislative Committee and Trust Committee. The committees assist in directing SDBA activities in various areas of banking and legislation.

Committee terms are one year beginning May 1, 2019, with the exception of Legislative Committee members who serve three-year terms. Bankers have the option of serving more than one term (except Legislative Committee members who are limited to

two consecutive terms).

Committees generally meet one to two times a year to initiate activities and to recommend policy. Volunteer committee members contribute to a stronger banking industry by sharing their time and talents.

The Committee Membership Form will be sent to banks and branches in April or visit www.sdba.com/committees. Questions, contact Alisa Bousa at abousa@sdba.com or 605.224.1653. ■■

Emerging Leader of the Month: Joshua Horak



As part of the SDBA's mission to grow South Dakota's future bank leaders, we are featuring a monthly emerging leader in SDBANKER Magazine. This month's feature is Joshua Horak of First Interstate Bank in Spearfish, who is a member of the SDBA's Emerging Leader Work Group.

First-Ever Job

I was born in Sheridan, Wyo., and when I was five, my father moved our family to Willmar, Minn. My father owned some Subway sandwich stores in Rapid City, and I would travel with him in the summers as a teenager and work in the stores—unpaid!

My first actual paid job was working in the corn fields pulling tassels for seed corn in central Minnesota. The job was uncomfortable, but taught me the meaning of teamwork. If someone slacked off, the remainder of us would need to go back and walk the rows over again to pick the tassels that were left behind. So, we would all walk together in a line and make sure no one was left behind and that we all did the best we could do.

Emerging Leader Story

After graduating from SDSU with a teaching degree, my folks' health insurance no longer covered me. I went seeking a job that provided health insurance until I could find a teaching and coaching position with a school district. Wells Fargo hired me as a student loan sales representative in Sioux Falls. I worked for Wells Fargo for 13 years in Sioux Falls and Spearfish.

In October 2014, I began working for First Interstate Bank in Spearfish as a commercial loan officer. I inject large amounts of capital into the local and regional economies by making loans to businesses and individuals. I help those businesses and individuals succeed financially through the various tools First Interstate Bank provides. This in turn helps our economy thrive in the Black Hills. This is only possible through the teamwork of all bank employees as this isn't a one-person show, but rather a team effort.

Motivation

My faith and family are my primary motivators. The people I surround myself with help me achieve my goals. My wife, Marcy, has been such a blessing to me and is always pushing me to become a better person. I strongly believe if you are the smartest person in the room, you are in the wrong room. I love



Joshua and Marcy Horak and their son, Cayel.

to learn and absorb other people's knowledge, so by surrounding myself with people that push me out of my comfort zone and allow me to learn from them further motivates me to be a better person in all facets of life. In turn, I feel the desire to mentor and educate those that are seeking the knowledge I have. I get excited when another person reaches out to me for help with an issue, a question about life in general or even to challenge my way of thinking. My desire to continually be a better person is what motivates me the most!

In His Spare Time

Getting into nature, be it fishing, camping, hiking, or hunting helps me to recenter and refocus on what's important. By doing these things, it ties in my faith, health and relationships. Sometimes you need to set aside work and focus on bigger picture callings.

If You Could Have Any Job...

Outside of banking...a game warden. I love the outdoors and wildlife and have always felt the desire to be a part of educating the public of the impacts conservation has on our natural resources and economy. Hunting and fishing have a huge economic impact to our state, and to be a part of that (and not being at a desk) would be fun! It would bring together my three passions—the outdoors, education and economies.

SDBA Emerging Leader Involvement

I hope I can pass along knowledge and at the same time gain knowledge in banking by growing relationships with others in the field. I feel we have a large populous of baby boomers setting up for retirement, so to be in a position to learn from them any chance I can is a large reason for getting involved. ■■■

Minnwest's Big Idea: Women in Ag

Reprinted with permission from ABA Bank Marketing

By Kate Young, Senior Editor, ABA Bank Marketing



Content marketing is partly an art and partly a science. But mostly, it's about building relationships with people by addressing their needs. And if you want to see what that might look like, Minnwest Bank's latest content campaign, focused on women in agriculture, is a prime example.

Based in southwest Minnesota, Minnwest is a family-owned and -operated company founded in 1987, right around the height of the 1980s' farm crisis. Jody Guetter, VP and marketing director at Minnwest, explains that when many other banks were stepping away from their ag business, Minnwest stepped in. Now the bank is one of the largest ag lenders in the state.

For the past several years, though, farming has been in a downturn, and the future holds a lot of uncertainty. Many young people have been moving away from their rural hometowns to settle in urban areas, often leaving behind communities that are aging and shrinking as a result.

To open a dialogue about those concerns—and with a nod to International Women's Day and National Agriculture Day—Minnwest recently kicked off its new blog series on women in agriculture. Each month, the blog will spotlight a woman working in the ag sector, including an agronomist, a genetic scientist, a teacher, an ag lender—and yes, even a farmer.

We asked Guetter how they came up with this approach to content marketing, and what they learned along the way. And what she told us, it seems, applies to all banks—not just those with ag programs.

Lessons in content marketing, as illustrated by Minnwest bank.

1. Find out what matters to your audience. Then make an emotional connection.

Guetter explains that the bank's content program started out 18 months ago with a focus on market trends and insights selected to help readers make better-informed financial decisions. Then in 2019, Guetter's team refined its strategy to develop "more locally-based content that's relevant to our footprint."

What does that mean in southwest Minnesota? "Many of our rural markets are shrinking communities," she says. "Some of the consistent themes we hear



from our chamber and other sources, is the need to educate—and to showcase the employment and career opportunities to keep the younger generation in our markets, or give them reasons to return to the area after college." Because of Minnwest's deep roots in the community, that effort became a labor of love—and it shows.

The first installment of Women in Agriculture tells the story of Jessie Alt, a plant research scientist who grew up on a family farm in Wabasso, Minn. By the end of the story, the reader sees how her life as a scientist has come full circle. When she set out in her career, she hoped that one day her father would grow one of her soybean varieties in his field. And eventually, it did happen. She wasn't at liberty to reveal to him which soybean variety it was. But it was tremendously satisfying."

2. Define your objectives. Then build on your successes.

Anyone who's tried content marketing knows how difficult it can be. "Trying to fill up the content calendar with topics was almost as much work as writing it," Guetter observes. She adds, "If you take the time upfront, and spend more time on strategy and long-term planning, the process becomes more fluid and more organic. You can alleviate some of the inefficiencies within the department as well."

After 18 months of testing various content types, it became clear that Minnwest's ag-focused articles were the top performers. "We wanted to build upon something that was working really well, keeping it local and aligned with our brand," she says. Already a leader in the ag market, Minnwest looked for ways to continue to move forward, even in a downward ag cycle. Based on those needs, the marketing team came up with two objectives:

- To reinforce the bank's brand as an ag leader that can offer relevant knowledge and resources for women, as well as the rest of the community.
- To showcase to the local youth that the ag sector does in fact offer diverse job opportunities that are worth staying in the area to pursue.

"We want to get the message out that there are a lot of professions within agriculture—that there is the potential for longevity in the rural community, the potential for sustainable income," Guetter says.

But it doesn't end there.

From the campaign's start as an engagement and branding tool, Minnwest hopes that it will lead to larger-scale projects in product development and corporate giving. Over the long term, Guetter explains, they would like to build out the series and develop lending programs for women in agriculture. "We're also looking at developing a scholarship program," she says. "Everything would be done at the local level."

3. Understand that as a local bank, your community depends on you for its economic health and long-term viability.

That requires sound financing and secure management, of course, but it also requires awareness

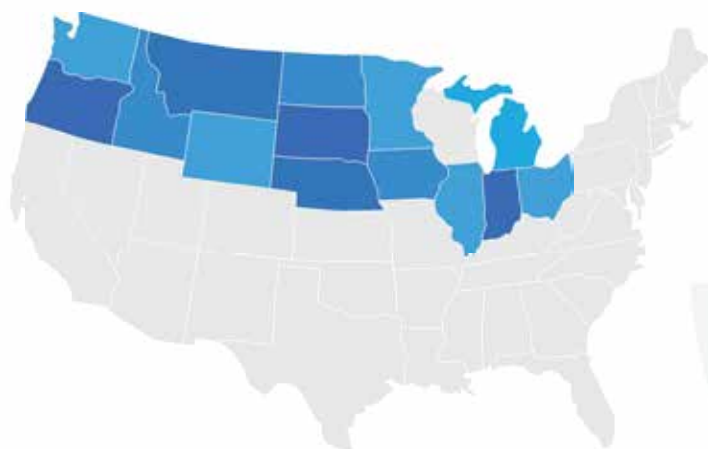
and forward-thinking advice. "We have access to the kinds of stories we need," Guetter says, "all day, every day—through the people coming into the bank—especially from the rural sector and agricultural community."

Upcoming stories in the series will include a woman who brings an agriculture education program into the local classrooms to teach about the effects agriculture has on the local economy, the food supply and sustainability issues. Another story will feature ag lenders, showcasing the potential for ag careers in the financial sector.

"Being a community bank, it's our responsibility to help our communities to thrive," Guetter says. "We understand that if our communities don't thrive neither can the bank. We are looking at the very long-term success of the bank and our communities." ■■■

Kate Young is a senior editor at ABA Banking Journal and editor of ABA Bank Marketing. You can view ABA Bank Marketing at <https://bankingjournal.aba.com/marketing>.

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A Bank Moving Forward with a Foundation of FIRST Values

L-R: The First National Bank in Sioux Falls' President Chris Ekstrum, CEO William "Bill" L. Baker, Personal Wealth Manager Maggie Baker Groteluschen and Business Banking Team Lead Bob Baker.

By Alisa Bousa, Editor

The First National Bank in Sioux Falls (FNBSF) prides itself on doing things differently and being more than just a bank. Its mission statement "We Build Successful Relationships" and its FIRST Values serve as the foundation of the bank's culture. As the oldest bank in Sioux Falls, FNBSF owes its longevity to a combination of service, stability, innovation and family involvement.

CEO William "Bill" L. Baker is the fourth generation of his family to lead the bank. Baker is retiring at the end of 2019 and transitioning the CEO title to Chris Ekstrum, who was named bank president in 2016.

"We've worked hard to instill leadership and a risk-management framework designed to make continuing this great family legacy possible," Baker said.

A 134-Year-Old Bank

The First National Bank in Sioux Falls was chartered as Minnehaha National Bank in 1885 by prominent Sioux Falls pioneers, including Edwin A. Sherman, who was the bank's first president. Baker's great-grandfather, William Lafayette Baker, came to Sioux Falls to work for the bank in 1889 at the suggestion of Joseph Mead Bailey, a fraternity brother from Rochester University, N.Y. Bailey had succeeded Sherman and was one of the youngest national bank presidents when he died at the age of 27 in 1891.

"I don't think my great grandfather came to Sioux Falls with the intention of spending the rest of his life out here," Baker reflected. "When Bailey died suddenly, I am sure everyone was looking at William Lafayette and

whether he was going to stick around or head home, and he stayed to his credit to help run the day-to-day as the cashier."

William Lafayette Baker was elected to the bank's board of directors in 1896, along with local entrepreneur Paul F. Sherman, who served as president from 1901 to 1910. The two acquired a controlling interest in the bank when early shareholders couldn't make capital calls. Paul F. Sherman sold out in late 1909, and William Lafayette Baker was elected president in 1910, which began the Baker family's succession.

The bank became First National Bank in 1929 and was the only bank besides New Deal-assisted Northwestern National Bank that survived the Great Depression.

When William Lafayette Baker passed away in 1939, the board

felt his son, William W. Baker, was too young to be president. Board Member Martin Kuehn served as president until William W. Baker officially took over in 1942.

William W. Baker's son, William S. Baker who is Bill Baker's father, took over as president in 1971. Under his leadership, new branches were opened and acquisitions were made.

Martin Kuehn's nephew, Curt Kuehn, became president in 1983, followed by Robert S. Baker (Bill Baker's uncle) in 1991. Following his dad's retirement, Bill Baker became Robert S. Baker's executive vice president in 1995. Bill Baker was named president of the bank when Robert S. Baker retired in 2000.

Free-Range Kid

Bill Baker grew up in the southeast part of Sioux Falls and said he was a "free-range" kid. He was allowed to ride bikes with his friends all over Sioux Falls, which was much smaller at that time.

In addition to playing neighborhood sports, Baker was interested in model railroading. He and his friends were involved in Scouting and become Explorer Scouts on the Burlington Northern Railroad. They were allowed to hitch rides in the engine rooms or cabooses of freight trains between Sioux Falls and Ruthton, Minn.

Before entering high school, Baker spent time during the summers on a great aunt and uncle's ranch near New Underwood, where he helped mow and rake hay, harvest cane seed, and brand and move cattle. He also worked at the weekly feeder pig auctions at the Sioux Falls Stockyards herding pigs between the pens and the sale floor.

"Those things all provided some good foundational background for me," Baker said. "I learned, I made some mistakes and I discovered the value of customer service."

During high school and college, Baker worked summers at resorts in northern Minnesota, first as a dock boy and later setting up conferences, bar tending and

eventually as the night auditor at Grand View Lodge, where he met his wife, Peg. At the time, Baker was interested in a career in resort management.

After earning an economics degree from the University of South Dakota School of Business, Baker spent the summer before graduate school working in internal audit at FNBSF, which was his first job at the bank. He went on to earn his master of business administration at the University of Michigan.

"I went to graduate school at Ann Arbor still thinking about career options. I took some banking courses, and they had a good banking faculty there," Baker said. "One gentleman was Douglas Hayes, who was the father of asset liability and bank balance sheet management. I took his class and learned a lot from him and got really interested in banking and lending, the theory of lending and the theory of interest rate risk management."

Baker spent the summer during his MBA program as a financial analyst at Stroh Brewery Company, which led him to become more serious about a financial career. Midway through his second year in Michigan, Baker was firmly set on working at the bank.

Baker returned to Sioux Falls in 1984 and began working at FNBSF in an entry-level management training program. He spent six months doing two-week rotations in all of the bank's departments and some of its branches.

Baker next spent a year working in credit review and learning from his manager, Jim Berg, who was a former OCC examiner.

"That was one of my most valuable experiences as a young banker, that and working that summer in audit," Baker said. "Both cases were an opportunity to get around the bank and meet people—in the case of audit to really dig into the operations and learn how things work and in the case of credit to get into the loan files and learn how the bank underwrote credit and made money."

He next worked as a consumer installment lender for a couple of years before going into commercial lending. From 1987 to 1995, Baker served as a business banker before becoming executive vice president.

"I had a lot of fun and a great experience and was able to help launch some entrepreneurial businesses here in Sioux Falls that are still customers of the bank now 30 years later," Baker said. "That was very rewarding."



The First National Bank in Sioux Falls' headquarters has been located at the corner of Ninth Street and Phillips Avenue since 1976.

Building a Successful Team

FNBSF employs around 270 people at its 18 locations in Sioux Falls, Baltic, Brandon, Dell Rapids, Flandreau and Harrisburg. While the bank's core business, ag banking and retail lines are focused in southeastern South Dakota, its correspondent banking, wealth management and trust business, and The Advantage Network are regional in scope.

The Advantage Network is a regional provider of electronic funds transfer services including debit and stored-value programs, ATM driving and monitoring, and chip debit card production.

Another area of FNBSF that stands out is its wealth management group, which Baker said is one of the largest in the state. The division employs 45 people and has more than \$5 billion in assets under management.

Maggie Groteluschen, Baker's daughter, is manager of the personal wealth division. Groteluschen, who has worked for FNBSF for six years, knew that working at the family business was part of her career path.

"I was interested in coming to work here and when I was in college, my dad organized a day at the bank where he had me shadow several different women in leadership roles at the organization so I could see what a career path could look like here," Groteluschen said. "That really got me interested, so I then did some internships during law school."

After receiving her undergraduate degree from the University of Nebraska-Lincoln and Creighton Law with her juris doctor and master in business administration, she joined the bank's wealth management team as a trust administrator. She assumed her current position on Jan. 1.

Another family member who works at the bank is Bob Baker, Bill Baker's cousin, who had been in a management role in business banking but has evolved into a



FNBSF gifts \$2,500 each to the four most-mentioned nonprofits on its social media pages during the holidays, one of which was B-Squad Dog Rescue.

corporate affairs position.

Ekstrum joined the bank in 1993 as a management trainee. His father, Charlie Ekstrum, was a majority shareholder and worked for First National Bank in Philip from 1968 to 2004. Having watched the toll the ag crisis of the '80s took on his dad, Ekstrum said he originally did not want to work in banking.

After graduating from the University of South Dakota, he worked a brief time at the Federal Reserve Bank of Minneapolis but quickly decided that doing research in a cubicle wasn't for him.

"I joke that I literally took a job here because I needed money as I was going back to grad school," Ekstrum said. "I interviewed at three banks and got three job offers. My dad said he knew this organization and that this was the place that I wanted to be. It wasn't long that I knew I had found a home."

Ekstrum transitioned at FNBSF from a personal banker to a business banker, to the manager of the business banking department, to chief banking officer.

"Chris was doing a great job as the chief banking officer and essentially was overseeing all of the external-facing aspects and personnel of the bank and was a great community leader as well," Baker said. "He was just a natural

choice as president."

Since Ekstrum was elected president in August 2016, Baker has been transitioning oversight of the organization to him. This will be Baker's last year full time at the bank. He is continuing to oversee credit and risk management, but will transition credit during this next year. After he retires, Baker will continue as chairman and work part time overseeing risk management, which includes audit, credit review, compliance and fiduciary risk management.

Innovative Banking

The FNBSF's FIRST Values—Family, Independence and Innovation, Relationships, Stewardship and Teamwork—guide the bank and its decisions as it moves forward and builds successful relationships.

"We talk about our values a lot because they are so important to us and are ingrained in our DNA. It is part of what we do every day," Ekstrum said. "It didn't take me long to see how you can take values and use them to a higher purpose into truly being a community bank."

"One of the real differences for me in my career has been the fact that we just don't see our customers as much as we used to," Baker said. "But our mission

is to build personal relationships, so we have really made it a priority to try and continue that personal relationship banking legacy through all the delivery channels including social media and mobile banking. I think we are doing it successfully, which is very exciting."

Stephanie Gongopoulos, Baker's cousin who is now retired but continues to serve as a director on the bank's board, was instrumental in building the bank's innovative marketing and social media team. FNBSF is active on Facebook, Twitter, YouTube, Instagram and LinkedIn.

"I think it has really helped us to attract a younger generation of customers to the bank," Baker said. "We are opening new accounts at a record rate and have a lot of younger customers now coming into the bank, which is a great complement to the legacy customers that we have had for generations."

One of the bank's social media-building initiatives is FNBGiveFirst, an annual holiday social media promotion. For the past six years, the bank has given \$2,500 each to the four local organizations that receive the most social media votes during the holidays.

FNBSF's KindnessFirst is an innovative program that encourages employees to think of creative ways to pay it forward. The bank provides each employee \$50 annually to contribute toward a community cause of their choice. Baker said employees team up and combine their funds to make a significant difference through community organizations.

Employees can also participate in the bank's matching gift program. With a minimum gift of \$100, the bank will match financial contributions of an employee to a qualifying nonprofit 501(c)3 organization up to \$500 per employee per year.

In addition, the bank provides each employee with volunteer time off to help with community causes.

"I am proud in the community when we go to charity events or events with community and



The First National Bank in Sioux Falls last year raised \$250,000 for the Sioux Empire United Way.

charitable leaders, and we are acknowledged for the work we have done or the help that we have provided whether it be lending our people to the cause, providing financial support or helping fund raise," Ekstrum said. "I think that we are unique in that we are community builders, and we are really altruistic in our mission."

Baker said his most rewarding volunteer experience has been with the Sioux Empire United Way and chairing its 2002-2003 campaign. He has also volunteered with Sanford Health, Boys and Girls Club of the Sioux Empire, The Banquet, Bishop Dudley Hospitality House and Sioux Falls Thrive.

Leaving in Good Hands

Baker said the people are what he has most enjoyed about his banking career—family members, employees, customers, fellow bankers, community leaders and the opportunity to work with his dad for 11 years.

Baker and his wife, Peg, who have been married for 36 years, have three children. Daughter Maggie and her husband, Kyle, who is an in-house counsel for Avera eCare, have two children: Garrett and Charlie. Daughter Lauren teaches art in Casa Blanca, Morocco, and her husband, Dany, is an applications, website and

3D designer. Son Billy is a Berklee College of Music in Boston-educated rock 'n' roll drummer who enrolled last summer at Southwestern University Law School in Los Angeles.

Baker and his wife bought property 15 years ago near Nisswa, Minn., and Grand View Lodge, the place where they first met. The couple rebuilt the house five years ago, which now allows them to spend time there year round.

As Baker looks toward retirement at the end of the year, he said FNBSF is in fantastic hands.

"I have devoted quite a bit of time during my career to building a good risk management organization within the bank. We have always had a good risk management organization, but it starts with an independent board at the bank level," Baker said. "Our bank board is very independent with a lot of seasoned community business leaders that bring years of wisdom and knowledge and have really helped guide and govern the organization. That will continue to be true long after I am gone. They are the key to creating a strong, vibrant and enduring institution."

"My number one goal," Ekstrum said, "is to make sure that The First National Bank in Sioux Falls remains an independent, family-owned enterprise." 🌈



Diversifying Our Most Important Asset

They say you can't improve what you don't measure. That is why ABA has established a dashboard that shows the gender, ethnic and generational breakdown of our workforce, from the customer service operators to the C-suite. This snapshot is a critical first step in a self-assessment of progress towards our goal to be the kind of diverse, equitable and inclusive workplace that attracts and retains the best talent. It shows where we are and where we have room to improve; for example, it shows our staff is 39 percent non-white, 37 percent Gen X and that 45 percent of SVPs and up are women.

We want top talent for the same reason banks—many of whom have landed on “great place to work” lists, as ABA did last year—do: Because it helps us

succeed. And there's no denying that success is boosted by a diverse workforce.

I appointed a staff task force in 2017 to explore how ABA can enhance our own approach to diversity and inclusion, and the group's report made a strong business case for taking our efforts to the next level. Consider that 43 percent of millennials—now our largest generation—is nonwhite, and that the U.S. is projected to not have a single racial or ethnic majority by 2055. That alone tells you that if you don't have a diverse workforce in the fairly near future, you won't have a workforce. Studies have also shown that companies with greater gender and ethnic diversity are more likely to outperform those with less.

But the most important case for diversity is simple: Ensuring your institution's employees and leaders reflect the communities they serve—and treating all employees equitably, making them feel included—is the right thing to do.

Banking leaders have told me they wholeheartedly agree, and some are further along in their diversity, equity and inclusion (DE&I) efforts than others. Some, for example, have landed on Forbes' Best Employers for Diversity list, while others, including those operating far from diversity-rich cities, are still grappling with attracting diverse talent. Remember, though, that workplace diversity isn't just about color; it's about ensuring you have a range of perspectives and experiences informing your decisions. That can come from anyone whose background is different from yours. Think gender, age, military service, disabilities, sexual orientation, religion, socioeconomic status, etc.

The good news is banks don't have to figure all this out on their own. There also are a host of organizations that are eager to share their insights to help you get it right, and ABA offers training, conferences and resources in this space—all cataloged at aba.com/Diversity.

In addition, the Offices of Minority and Women Inclusion at the eight financial regulatory agencies held a summit last fall where banks and others who are further down the path towards a model DE&I workplace shared best practices related to employment and

Continued on next page

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procurement practices. The ideas exchanged ranged from participating on the boards of colleges, utilizing minority and women-owned recruiting firms, and offering internships and mentoring to students at local low-income, minority-majority high schools.

Similar suggestions were included in testimony during the first hearing, held in February, of the new House Financial Services Diversity & Inclusion subcommittee—a panel whose very existence is a testament to the social, commercial and economic importance of this issue.

Carla Harris, vice chair of wealth management at Morgan Stanley and a popular speaker on issues related to diversity and inclusion, offered her own advice at ABA's 2018 Annual Convention in New York. Among her suggestions:

- Most fundamentally, check your unconscious bias; we all have it, and we can all benefit from training on how to spot it.
- Make sure you lead in an inclusive way, soliciting views from all and making employees feel valued, seen and heard. If your staff is not feeling this way, you'll likely be challenged in both retaining and attracting more diverse talent.
- Be fair in your distribution of assignments so everyone has a chance to grow and no one is at a deficit when the next promotional opportunity arises.
- Be intentional about making sure staff have the right sponsors, who have a far greater impact on advancement than mentors.
- Finally, remember the pace at which our environment and competitive landscape is changing and take a step today—even if it's pressing pause before you fill your next job opening—towards ensuring you'll emerge as an employer of choice tomorrow. Nothing will influence your bank's future success more than the women and men who run it day-to-day.

I would add my encouragement that you set up your own human capital dashboard. We all have a sense of where we'd like our institutions to be two, three, five years from now. But whether our goals are financial, business or diversity in nature, we won't know how close we are to reaching them if we don't measure our progress.

For more information on the ideas and resources mentioned here, visit aba.com/Diversity. ■

Rob Nichols is president/CEO of the American Bankers Association. You can reach Nichols at nichols@aba.com.

training....

NDBA to Host Tri-State Trust Conference

The NDBA will hold the 2019 Tri-State Trust Conference on April 29 to May 1 at the Hilton Garden Inn in Fargo, N.D.

The conference focuses on trust officers' unique responsibilities and their need for quality information and training to serve customers. The conference features two days of educational sessions led by experts in the business of trust and wealth management.

This year's sessions will include "Point of View: The Economy, Markets and Investment Strategy," "Fiduciary Law Update," "Shifting into Retirement," "Preventing and Responding to Abuse, Neglect and Financial Exploitation," "Responsible Investing is Good Business," "Federal Tax Update," "Revolutionizing Mineral Management," "Marketing Outlook for 2019 and Beyond" and "Connecting the Workplace and Life Through F.U.N."

In addition, attendees will take part in Rapid-Fire Roundtables, and more than 30 companies will participate as exhibitors. Learn more and register at www.ndba.com. ■

Bank Trainers Conference & Expo to be Held May 7-9

The Bank Trainers Conference and Expo on May 7-9 in Atlanta, Ga., is an annual educational event that brings together hundreds of training professionals, representing financial institutions from across the country and beyond.

A wide-variety of workshops cover everything from eLearning to presentation skills and managing change. Un-paralleled networking opportunities with the greatest minds in learning and development await attendees at every turn.

This year's keynote speakers are Ben Nemtin, the New York Times bestselling author of "What Do You Want To Do Before You Die?" and star of the MTV show "The Buried Life," and Honey Shelton, who has 30-plus years of experience as a training and quality improvement consultant for banks and banking associations across the country.

An industry-focused and intimate trade show will give attendees the freedom to discuss the latest training solutions and innovations with some of the most respected companies in the training world.

Learn more and register to attend at www.banktrainers.com. When asked how you heard about the conference, select "State Bankers Association/League" and enter referral code "SDBA." ■

Questionable Incoming Wires and What to Do About Them

By James McGuire, Compliance Alliance



One topic we continue to hear about is the prevalence of questionable wires coming into customers' accounts at the bank.

Whether it's part of the classic "Nigerian Prince" scam—where a fraudulent wire temporarily hits the customer's account in exchange for a smaller payout

from the customer's own funds—or a con artist is wooing an unsuspecting elder from afar, these suspect transactions seem to be showing up more and more. A common question we receive is, "How can I stop these kinds of shady wires, or put a freeze on them, before they cause the customer (and by extension the bank) a whole lot of pain?" While the answer to that question is not straightforward, a solution may be simpler than one realizes.

Article 4-A of the UCC generally only requires domestic (not international) wires to be considered final once they are "accepted" by the receiving bank; beyond that, there is not any prohibition we're aware of on a receiving bank freezing or sending back wired funds, even if they are not recalled by the sending bank first. Nevertheless, a receiving bank should be aware that there may be some risk with freezing and/or sending back wire funds without some sort of investigation into the circumstances beforehand.

First of all, for incoming domestic wires, there's Regulation CC—wired funds are generally required to be made available to checking account customers "not later than the business day after" the wire is received (not necessarily "accepted" under the UCC¹) by the incoming bank. Granted, it's always possible to place an exception hold on the wired funds with proper notice to the customer, but the bank should make sure to do at least a rudimentary investigation before placing such a hold in order to substantiate that it is reasonable.

Secondly, beyond the outer time limits stated in Regulation CC, an institution's own funds availability policy may provide for an even quicker turnaround time for incoming wired funds to be made available, such as the same day the funds are received. An institution would want to check with their availability policy to make sure there is nothing in there that would legally obligate them to provide wired funds more promptly.

Thirdly, even if neither Regulation CC nor the bank's funds availability policy come into play (like for

international wires), there are reputation risk and fairness issues to consider. Especially in service areas with a large international population, it may be seen as an unfair banking practice to, say, place a "writ large" freeze or hold on all incoming international wires no matter what.

Ultimately, though, beyond the Regulation CC, funds availability policy, and reputation risk/fairness issues noted above, we know of no restriction on a bank placing a hold/freeze or returning incoming wired funds before "accepting" them. In fact, in light of things like Office of Foreign Assets Control (OFAC) monitoring requirements under the Bank Secrecy Act (BSA), it may be desirable for an institution to hold or return an incoming wire it's not sure about, especially if that institution isn't used to receiving incoming wires as a regular part of their business.

In the end, it will come down to an overall risk determination in light of the bank's practices. But having checks in place on incoming wires—especially international wires coming in from other countries—generally is not prohibited and may even be recommended, as Internet-related wire scams continue to increase in popularity. ■■



¹"Acceptance" is generally defined in §4A-209(b) of the U.C.C. as the earlier of: (1) when the bank actually pays the beneficiary or notifies them of the payment; (2) when the bank actually receives final settlement of the funds through Fedwire or whatever wire process that is used; or (3) the next business day following the payment date of the order if the sender's account actually has the funds to cover the order.

James McGuire has worked as an attorney and legal researcher in the financial industry since 2010. He served as assistant general counsel for the Texas Attorney General in the open records division and later worked as a solo practitioner in the Austin area. Prior to joining Compliance Alliance in July of 2015, McGuire assisted a major mortgaging servicer with the OCC's independent foreclosure audit and was a SEC filing researcher for a major financial and legal research firm. Compliance Alliance, an SDBA endorsed vendor and associate member, provides an all-inclusive compliance solution for banks of all sizes. Learn more at www.compliancealliance.com or call 888.353.3933.

How to Avoid Fair Lending Traps

By Tory Haggerty, Tuscan Club Consulting



Fair lending issues seem common place in the news. They range anywhere from inconsistent pricing, to redlining, to marketing problems. This worries every bank because how do you know when you will be next? I have seen banks go through a full examination only to get hit hard by a major fair lending

issue six months later. How is that possible?

Understanding how to mitigate fair lending risk is not difficult when you know what to look for, but you have to go the extra steps to make sure your program is strong. I will address all of the major areas for concern. I've spent six years as a compliance examiner with the FDIC, so I want to share some insight on these areas and use some real-world examples.

Marketing: This is where it all starts. You want your marketing tailored to your audience, but make sure to know your audience. Outside of obvious discriminatory marketing materials, the biggest issue here is who you are (and aren't) marketing to. I know of a bank president that specifically instructed his marketing team not to send materials to certain zip codes (which just happened to be a high minority area). Those zip codes are part of their assessment and market areas. Make sure you market to everyone.

Applications: If you use internally-developed applications, you run a higher risk of fair lending issues. What questions you ask and how you ask them could put you in hot water. The easiest solution is to use industry-standard applications. Also, how your staff takes an in-person application is very critical. I once saw a complaint where a loan officer told a minority applicant, "I know how you people are with car loans." That one complaint triggered an entire fair lending investigation. Be consistent every time you take an application. Don't ever discourage anyone from applying, and don't go the extra mile for one customer and not the next.

Underwriting: Inconsistency is the greatest risk. If you allow discretion, you open yourself up to possible issues. That doesn't mean you cannot have discretion, but the more you give, the worse it can get. I once examined an institution that had a denial rate to African Americans that was twice as high as for Caucasians. This triggered a two-week comparative file analysis. Luckily, the bank had sound underwriting practices, and we were able to confirm that through the file analysis.

Pricing: Pricing sheets are a compliance officer's

best friend, but only if they are worthwhile and used. I've been to a bank that allowed consumer loan pricing from 10 to 18 percent. Management gave some vague pricing guidelines and never tracked pricing. Needless to say, I found a 700-basis point swing between men and women. I've also been to a bank that priced every loan the exact same, no matter the creditworthiness of the borrower. Is that helping your customer? Have solid pricing guidelines, minimize deviations and track when you do.

Steering: Steering is when you direct a customer to a certain loan product. This can be a good thing if it gives the customer the best deal, but it can be very bad when it maximizes profits for the bank or the loan officer. If you ever steer customers to products that are not in their best interest, you have potential problems.

Redlining: The marketing case above also is a redlining issue. Whenever you exclude a certain area by not marketing and/or not making loans to people from that area, you run this risk. Penetrate all of your market area, and keep proof that you do. Keep a list of all the advertising mailers you send out to show regulators you market everywhere. If you are a bigger bank, make sure you understand where all new branches are going. Make sure you are not avoiding low- and moderate-income census tracts and high-minority areas.

Exceptions: Any deviations to your loan guidelines should be tracked and analyzed. I can't tell you how many banks I've been to where they track exceptions and never look at them again. Simply tracking exceptions is not good enough. You must analyze them for unfavorable trends.

Complaints: Any fair lending-related complaint should be investigated fully—not just how that one customer was treated, but how the complaint relates to your program. This goes back to my original question on how a bank can get a clean bill of health, only to get hit with fair lending issues six months later. Usually, a complaint comes in, and then the regulators come back and do a full investigation of that area which they didn't do during the exam. ■■■

Tory Haggerty has served as a commissioned FDIC compliance examiner, bank compliance officer and auditor and holds the CRCM designation. He founded Tuscan Club Consulting in Sioux Falls, an SDBA associate member, to share his knowledge and expertise with community banks. He strives to provide the highest quality compliance auditing and consulting services at a price community banks can afford. You can contact Haggerty at tory@tcconsulting.us, 605.651-3877 or visit www.tcconsulting.us.

Chad Kempf Joins Liberty National Bank



Chad Kempf has joined Liberty National Bank in Elk Point as a vice president of agricultural/commercial loan officer.

A native of Artesian, S.D., and University of South Dakota graduate, he works with farmer/producers and his other business customers to create a true relationship to help them

succeed. Kempf is responsible for agriculture lending, commercial lending and maintaining relationships with customers.

For the past seven years, Kempf has been analyzing credits and finding solutions for farmers, producers, and companies worldwide as a credit analyst for POET Nutrition, Inc., a subsidiary of Poet, LLC, which markets five million tons of distiller grains animal feed and 600 million pounds of corn oil from production as one of the world's largest ethanol producers.

"Chad's joining our office is a crucial step in our continuing our position as THE ag lender in the area," said Terry Utech, senior vice president for agriculture lending. "His knowledge of the area and long history of client-focused service are invaluable." ■■

Michael Crisp Promoted at Liberty National Bank



Michael Crisp has been promoted to vice president/commercial loan officer at Liberty National Bank's Sioux Falls West branch.

Crisp has worked more than eight years at Liberty National Bank. His duties include managing a large commercial loan portfolio, underwriting loans, developing

relationships and building additional business.

"Every day, customers see Michael's commitment to service and quality. He is a strong relationship builder," said Sioux Falls Market President Jacob Stahl. "His knowledge of lending and of the Sioux Falls market are invaluable." ■■

Caleb Kemink Joins BankWest

Caleb Kemink has joined BankWest as a business development officer at its Onida branch.

Mike Yackley, Onida's branch president, notes Kemink's experience within agriculture and financial services will make him an integral part of Onida's BankWest team and an asset to the local community.

"We are very fortunate to have Caleb join the BankWest team," Yackley noted. "He will provide



excellent customer service and a wide range of financial services to Onida area businesses and producers."

Kemink has four years of experience in the financial industry and earned his bachelor's degree in agricultural business from South Dakota State University. In his free time, he enjoys hunting, fishing, golfing, water sports, winter sports and watching college football and basketball.

"I'll take the time to understand my customer's business and help them achieve their financial goals," said Kemink. "I appreciate the role BankWest takes in helping its communities thrive. That's what community banking is about." ■■

First PREMIER Bank Invests in Future



First PREMIER Bank broke ground on a new main office and corporate headquarters which will be located at the northeast corner of the intersection of Minnesota Avenue and 14th Street in downtown Sioux Falls.

First PREMIER Bank President Dave Rozenboom said construction of the five-story building began March 18, 2019, with an estimated completion date of November 2020. Once open, he said the company's main office and corporate headquarters will serve as a gateway to downtown Sioux Falls.

"This project is the culmination of several years of strategic initiatives aimed at positioning our organization for the future," Rozenboom said. "We've made significant investments to provide our customers with the best possible banking experience and to provide our employees with the tools they need to serve our customers well. The growth of our organization and the continued growth of Sioux Falls make this an ideal time for us to take the next step to expand our facilities for the future."

"A lot has changed since First PREMIER Bank was created in 1986," CEO Dana Dykhouse said. "We have grown from two branches and \$250 million in assets to 17 branches and \$1.9 billion in assets. But the one thing that has remained constant is our commitment to building strong relationships one customer at a time and always doing what's right for our customers." ■■

classifieds.....

Ag Loan Officer, First National Bank, Oldham/Ramona, S.D.

First National Bank, a family-owned community bank is currently seeking an ag loan officer in our Oldham/Ramona, S.D., locations, which is located near Brookings and Madison, S.D. Explore new frontiers by pursuing a career in banking with advancement opportunities. For the right individual, a flexible schedule can be considered to help with your farming operation. Responsibilities: Develop and maintain courteous and professional long-term relationships with customers by delivering extreme value in all relationships. Grow your portfolio with A+ quality prospects and customers, gaining their entire relationship and the relationships of their family and friends. Accurate and timely tracking of sales data in pipeline system. Accountability to the systems and processes used by all bank employees. Represent the bank in community organizations. Qualifications: Finance/business management degree or equivalent experience. Knowledge of farm production methods, farm products and farm business management/finance. Strong analytical and decision-making skills. Strong computer skills. Excellent customer service skills and ability to develop new business relationships. Great opportunity for a strong community-focused banker with desire to be part of a growing banking organization. Send résumé to todd.lee@firstnationalbanks.com. EEO employer of women, minorities, protected veterans & individuals with disabilities. ■

Bank Accountant/Senior Analyst, Security State Bank, Chancellor, S.D.

Security State Bank is a leading agriculture and small business bank in eastern South Dakota and southwestern Minnesota. We have an opportunity for a bank accountant/senior analyst to join our dynamic team. The position will be located at our office in Chancellor, S.D. This is a great opportunity for a highly-motivated individual to make a big impact in our fast-paced, growing organization. In your role you will: conduct extensive independent credit analysis on existing and new clients in association with senior bankers; comprehensive credit administration supervision; review customer accounts/portfolios in order to identify credit quality issues; conduct specialized analysis and prepare specialized reports on loan quality/portfolio quality; perform economic and industry analysis, financial projections and risk assessments. Competitive salary and benefits package. Qualifications: bachelor's degree in accounting and finance; five years of accounting experience; excellent analytical, problem solving and attention to detail skill set; self-motivated-self starter; agricultural background preferred. EOE. Please submit credentials and compensation requirements to: John J. Baumiller, President, at johnbaumiller@banksecuritystate.com. ■

Commercial Banker, Security State Bank, Chancellor, S.D.

Security State Bank is a leading agriculture and small business bank in eastern South Dakota and southwestern Minnesota. We have an opportunity for a commercial banker to join our dynamic team. The position will be located at our office in Chancellor, S.D. This is a great opportunity for a highly-motivated individual to make a big impact in our fast-paced, growing organization. In your role you will: prospect and

secure new commercial and agriculture loan and depository relationships; conduct extensive independent credit analysis on new and existing clients in association with a credit analyst team member; comprehensive credit administration supervision; review customer accounts/portfolios in order to identify credit quality issues; conduct specialized analysis and prepare specialized reports on loan quality/portfolio quality; perform economic and industry analysis, financial projections and risk assessments. Competitive salary and benefits package. Qualifications: bachelor's degree in accounting and finance; five years of banking, sales or accounting experience; excellent analytical, problem solving and attention to detail skill set; self-motivated-self starter; agricultural background preferred. EOE. Please submit credentials and compensation requirements to: John J. Baumiller, President, at johnbaumiller@banksecuritystate.com. ■

Operations/Compliance Manager, South Dakota Community Foundation, Pierre, S.D.

The mission of the South Dakota Community Foundation is: "To bring philanthropy to life for a stronger South Dakota." The Foundation seeks a motivated person to expand its team of seasoned professionals who partner with donors to meet individual and collective philanthropic goals. This position also supports organizations who are seeking grant funds to meet the charitable needs of the people of South Dakota through well-defined compliance and outcomes practices. The selected candidate will be someone who can be intensely detail focused, assuring policies, procedures and practices meet full compliance with local, state and federal law and regulation, as well as nonprofit best practice standards. The individual selected will also challenge those very systems, policies and practices to find better and more efficient ways to deliver on the mission of the Foundation to meet the demand of a growing donor and grantee base. An individual trained in law, banking, corporate compliance, operations, fund development, project management or other related academic pursuit who wants to make a difference, wants to grow professionally, find variety and deep meaning in their work, and who wants to work with a dynamic, growing and mission-driven organization and team is encouraged to apply. This position is based in Pierre. For a complete job description and required qualifications, please email info@sdcommunityfoundation.org. ■

Sales and Business Development Officer, United Bankers' Bank, North/South Dakota

UBB is looking for a dynamic, driven and passionate individual who enjoys traveling to fulfill the role of sales and business development officer for our Dakota territory. This individual will travel extensively, calling on community banks in North and South Dakota. Our ideal candidate will be based in Sioux Falls; however, we will consider candidates living in or near the following cities: Aberdeen, Pierre or Watertown, S.D.; Bismarck, Fargo or Grand Forks, N.D. To view a summary of our superior benefits package and apply for this position, please visit our Careers page at <https://www.ubb.com/about-us/careers>. United Bankers' Bank is an EEO/AA employer. All qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin, age, sexual orientation, gender identity, disability, veteran status or any other characteristic protected by law. ■

Seminars/Conferences/Webinars/Schools

SDBA EVENTS

SDBA 2019 Agricultural Credit Conference

April 10-12, 2019 | Pierre

An Introduction to HSAs Webinar

May 7, 2019

HSAs—Beyond the Basics Webinar

May 14, 2019

SDBA/NDBA 2019 Annual Convention

June 2-4, 2019 | Sioux Falls

SDBA 2019 Bank Technology Conference

Sept. 11, 2019 | Sioux Falls

SDBA 2019 Lead Strong: Women in Banking Conference

Oct. 9-10, 2019 | Sioux Falls

SDBA 2019 Compliance Workshop

Oct. 14-15, 2019 | Sioux Falls

WEBINARS

For a complete list of webinars, visit www.sdba.com/webinars.

April 15, 2019

Commercial & Business Lending Basics for Support Personnel

April 16, 2019

Flood Insurance Compliance

April 17, 2019

Regulation O—Lending to Insiders

April 18, 2019

Escrow Accounts Compliance

April 18, 2019

Loan Structuring Basics

April 22, 2019

Basics of Banking: An Overview

April 23, 2019

Vault Security & Disaster Recovery Essentials

April 23, 2019

Opening Fiduciary Accounts

April 24, 2019

Developing and Organizing an Effective Remote Deposit Capture Program

April 24, 2019

Creating the Right ERM Program for YOUR Community Bank

April 25, 2019

Mortgage Origination Compliance: Part 1

April 25, 2019

10 BSA Exam Hotspots

April 26, 2019

Understanding Commercial Loan Documents

April 29, 2019

Five Ways to Jump-Start Your Core Deposit Growth in 2019

April 30, 2019

Reg Flags for Money Laundering for the Front Line

May 1, 2019

Controlling the Risks of Power of Attorney Documents

May 1, 2019

Mortgage Origination Compliance: Part 2

May 2, 2019

FFIEC Mobile Services Guidance Review

May 2, 2019

20 Legal Account Ownerships, Titles, Sample Signature Cards and Legal Documentation

May 3, 2019

Loan Participations: What You Should Know

May 7, 2019

Equipment Lease Financing

May 8, 2019

Lessons Learned—Recent Lending Compliance Enforcement Actions

May 8, 2019

Lending 101

May 9, 2019

Bank Call Report Preparation for Beginners: Part 1

May 9, 2019

BSA: CIP and CDD

May 10, 2019

Introduction to ACH: The Basics

May 13, 2019

Advanced Commercial Loan Documentation

May 14, 2019

OFAC: Can We Comply?

May 15, 2019

Opening Accounts for Marijuana Related Businesses

May 15, 2019

Handling Loan Applications—What can go Wrong?

SCHOOLS

GSB HR Management School

April 7-12, 2019 | Madison, Wis.

GSBC Executive Development Institute for Community Bankers

April 14-17, 2019 | Westminster, Colo.

GSBC Community Bank Investments School

May 19-23, 2019 | Denver, Colo.

2019 Dakota School of Banking

June 9-14, 2019 | Jamestown, N.D.

2019 National School for Beginning Ag Bankers

June 24-27, 2019 | Spearfish

Graduate School of Banking at Colorado

July 14-26, 2019 | Boulder, Colo.

Graduate School of Banking at Wisconsin

July 28-Aug. 9, 2019 | Madison, Wis.

SDBA 2019 IRA School

Sept. 4-6, 2019 | Sioux Falls

GSBC Workshop on Community Bank Investments

Sept. 4-6, 2019 | Las Vegas, Nev.

GSB Financial Managers School

Sept. 15-20, 2019 | Madison, Wis.

GSB Sales and Marketing School


Sept. 29-Oct. 4, 2019 | Madison, Wis.

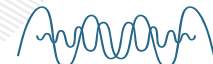
GSB Bank Technology Security School

Oct. 6-11, 2019 | Madison, Wis.

For more details and to register for a training, visit the SDBA's online event calendar at www.sdba.com/events.
Or contact the SDBA's Halley Lee at hlee@sdba.com or 800.726.7322.

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Keynote Speaker

DR CHRISTOPHER THORNBERG

Founding partner of Beacon Economics LLC, Los Angeles, Calif.



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Will the Real Economy Stand Up?

The U.S. economy had a strong outing in 2018, but market volatility and rising, long-run rates on a backdrop of political chaos in Washington has generated much skepticism regarding the ability for the current expansion to continue much longer. How should the banking industry view credit market risk under such uncertainty?

Dr. Christopher Thornberg is the founder of Beacon Economics LLC, one of the most respected research organizations in California serving public and private sector clients across the United States. He is an expert in economic and revenue forecasting, regional economics, economic policy, and labor and real estate markets.

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2019 SDBA/NDDBA ANNUAL CONVENTION

June 2-4

Sioux Falls Convention Center & Sheraton Sioux Falls