

First National Bank of Hartford



Dear Friends,

2007 marks a historic event in the life of the First National Bank of Hartford. The bank is celebrating its 100th anniversary, a milestone that few companies ever reach. Who could have foreseen that the small community bank founded in 1907 would be in existence 100 years later. The fact that we are here, vibrant and growing, is testimony to the vision of the founders and a credit to all who have served this bank so faithfully over the past century.

While First National Bank of Hartford has experienced many changes over the years, our core values have not. Integrity, competence and community service are the hallmarks established by our founders that guided the bank during the previous century, and continue as the model for our future success.

All who are or have been associated with the bank – customers, employees,

shareholders, service providers – can take pride in having contributed to the success story documented in this commemorative book. We can see how far we’ve come as a bank as we turn its pages. I am grateful to those whose efforts made his historical perspective possible: the author, Millard Johnson; the History Room staff at the Hartford Public Library; and the bank’s internal team.

We enter into the next century with a rich heritage and a professional staff dedicated to serving the financial needs of our customers and community, and to meet the expectations of our shareholders. We are proud to be your independent community bank.

Best Regards,

Timothy G. Purman
President

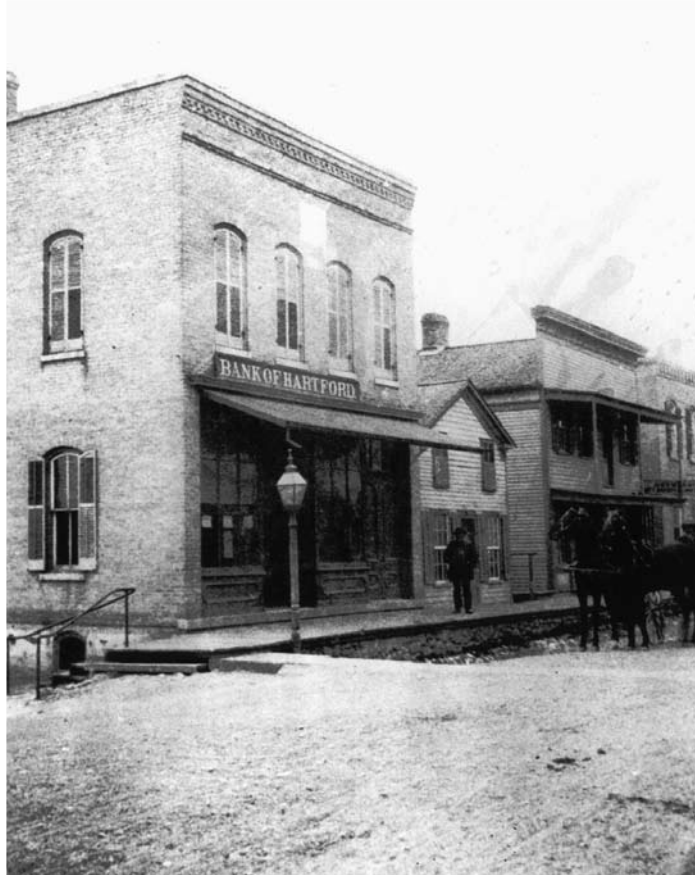
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BANKING ON HARTFORD

A History of First National Bank of Hartford

Prologue

Hartford got its first street lights in 1900. At only three candle power the lights didn't brighten Main Street all that much, but they were symbolic of the bright prospects for this small village situated along the Rubicon River in southeastern Wisconsin. Numerous small businesses, churches and homes had arisen here in support of a thriving agricultural economy that European immigrants were wresting from the rich soil of Washington County. The lights also symbolized the dawn of a new century, one that would witness more change than anyone then could imagine.

The three new electric bulbs replaced the five kerosene lamps that Hartford had acquired 16 years earlier from the local mercantile firm of Stark & Liver. The two partners, Adam Stark and John G. Liver, did a brisk business in dry goods, groceries, hardware and

other necessities. Liver had other business interests, and in 1904, while a partner in the mercantile firm of Dennison, Coerper & Liver, he became interested in banking.

Robert LaFollette and his Progressive Party had seized the Wisconsin governorship and legislature in 1900 on a platform that included a vow to reform the loose banking practices of the hundreds of private, unregulated banks in the state. LaFollette kept his word, and pushed through a legislative mandate that private banks had to close or obtain a state charter and submit to state regulation. The Bank of Hartford, formed in 1890, chose to obtain a state charter in 1903 and reorganize as the Hartford Exchange Bank. The other, smaller bank in town, City Bank, was formed in 1853 as custodian for the meager funds of the early inhabitants. It became First City Bank when its charter was approved.

Public confidence in banking would improve in the new political environment, thought Liver. Would there be room for another bank in Hartford? Liver thought so, and so did his lawyer, H.K. Butterfield, who had served as Hartford's mayor in 1896-1897. The pair felt that more banking services would be needed by the growing industrial firms that were



supplementing the agricultural economy. Louis Kissel and his four sons, for instance, operated several fabricating enterprises, including the Hartford Plow Company and the Hartford Electric Company, and in 1906 started the Kissel Motor Car Company.

One of the Kissel sons, Otto P., was inclined to add banking to the family's local business interests, and to his own business interests in real estate and construction. He and Liver in 1906 decided to create the Commercial State Bank, and solicited other civic and business leaders to join them.

Encouraged by pledges of support for a bank, Otto Kissel in July 1906 set his laborers to building a two story brownstone building suitable for banking. It was situated on Main Street on property formerly occupied by the L. Kissel & Sons Hardware store, and adjacent to the Amidon jewelry store.

More detailed plans for the bank were worked out that winter. It was decided to seek a charter under federal rather than state auspices. For one thing, there were already two state banks in town. For another thing, the more stringent regulation of a federally chartered bank would appeal to a conservative customer base with memories of the loose banking practices of the pre-reform era.

Hartford Gets a National Bank - 1907

Organizers of the proposed bank met at Butterfield's law office on March 2, 1907 to document their intentions. The new bank would be called the First National Bank of Hartford, having capital of \$50,000. There would be 500 shares, each with a par value of \$100, and completely subscribed by 21 shareholders, all local. Purchases by Liver (160 shares) and Kissel (100 shares) gave the pair a controlling interest in the bank. The seven directors

would be Liver, Kissel, Butterfield (50 shares), Bruno Jordan (45 shares), Louis LeCount (30 shares), Albert G. Laubenstein (20 shares), and Henry Lieven (20 shares). Other shareholders were Charles Ehlert, August F. Westphal, Peter Westenberger, John Kohl, Matthew Esser, Jacob Frank, Henry Esser, Albert Schroeder, Ole Halverson, John A. Grimm, George Troeller, Anton Schmidt, Herman Lau and Andrew Esser.

The documents, consisting of Articles of Association and an Organization Certificate, were promptly mailed to Washington, D.C., where they were received on March 6 by William B. Ridgely, the federal Comptroller of the Currency.



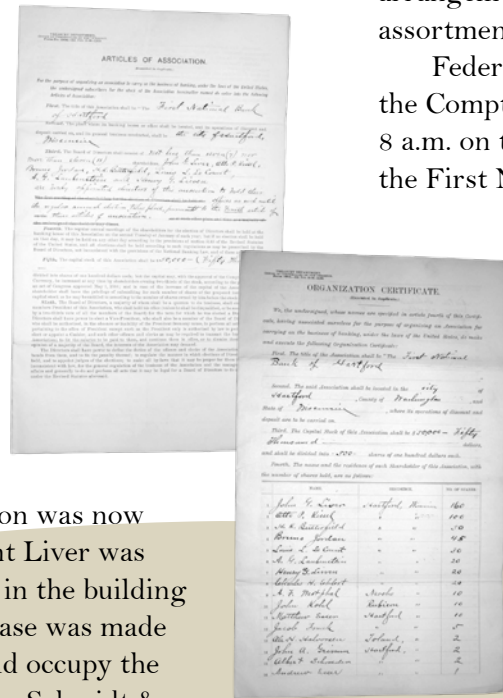
Directors met on March 16 to elect officers. John Liver was elected president of the bank. H. K. Butterfield was elected vice-president and Otto Kissel was elected second vice president. The post of cashier, which carried the burden of day-to-day banking operations, went to Henry H. Esser. Directors set the president's annual salary at \$1,200 and the cashier's annual salary at \$800. A surety bond of \$2,500 was authorized for both of them. Association members were directed to make a first payment of at least fifty percent of their stock subscription no later than March 20.

Directors met again on April 19 to adopt by-laws and to acquire the premises. Construction was now nearly complete, such that President Liver was directed to purchase a half-interest in the building from Kissel for \$11,000. The purchase was made on April 22. Initially the bank would occupy the north half of the building, while the Schmidt &

Mertes Drug Store occupied the other half. Inside the outer foyer, stairs led to the second floor law firm of Butterfield & Dix, and to the real estate and insurance offices of Ed Sauerhering and Michael Gehl. The arrangement made it convenient for customers to have an assortment of financial and legal services under one roof.

Federal banking charter # 8671 was issued by the Comptroller of the Currency on May 2, 1907. At 8 a.m. on the following Monday, May 6, the doors of the First National Bank of Hartford finally opened for business. The office hours of the bank were 8 a.m. to noon, closed for lunch, reopen from 1 p.m. to 4 p.m.

Bouquets of flowers from well-wishers decorated the front window the week of the opening. Visitors entered through the middle of three graceful arches across the front of the building. Inside, they found two teller cages and a semi-enclosed conference booth. The lobby extended to the rear where a large meeting room was furnished for directors and available to people having business at the bank. The 19 x 12 foot fireproof vault was



equipped with a door purchased from the Mosler Safe Company. The first depositor was Louis LeCount.

Visitors and customers that first day were introduced to the new bank's features and services, but most visitors already knew their bankers.

John Liver was born in the Swiss Canton of Graubunden in 1854, one of six children born to a prominent landholder and judicial official. At age 14 he emigrated to Slinger (then Schleisingerville) where he did farm work for his two uncles, Casper and John Liver. It was in 1871 that he moved to Hartford and started his successful business career.

Henry Esser was born in Hartford Township in 1882, one of eight born to a Prussian immigrant. He worked his family's farm fields in summer, then attended Hartford schools and a business college in Milwaukee. He rose to assistant cashier at the Hartford Exchange Bank and later held



responsible positions at the Wisconsin National Bank in Milwaukee before joining Liver at the new bank.

The *Hartford Times* newspaper, in its account of the bank's opening, offered this comment: "With such good men as Mr. Liver and Mr. Esser at its helm, the safety of the bank is beyond question."

The bank's finance committee presented a healthy balance sheet at the end of the first month of operations. Total assets were \$101,901, of which \$24,751 was in the loan portfolio and most of the rest was invested in bonds and reserve banks. Two loans totaling \$8,500 were made to the Hartford Canning Co. Philip Gross's hardware

store took out a \$5,000 loan. Several small loans in the \$25 to \$35 range went to individuals. Customer deposits totaled \$51,724.

By the end of 1907 assets had nearly doubled to \$192,404. Deposits exceeded \$100,000 and \$94,453 had been loaned out. A profit of \$1,504 had been earned during the first eight



months of operations. On June 2, 1908, the end of the bank's first full year in business, directors declared the bank's first dividend, which was \$4 per share.

The Bank with the Chime Clock – The 1910s

The economic fortunes of Hartford and its banks were intertwined. In pre-World War I Hartford, business

was good and getting better. The Kissel Motor Car Company had nearly a thousand workers on its payroll. Hartford Canning Company was now adding beans and peas to its corn canning plant. Among business start-ups were Jordan Electric Co., P.L. Gehl Co., Rhodes Greenhouse and International Stamping Co.

Increased business at First National was putting a strain on the bank's resources, calling for additional staff and equipment. More safety deposit boxes had to be ordered to meet public demand. Fred Maas was hired for \$25 a month. The bank also purchased a typewriter and a Burroughs adder and subtractor machine that could print journal entries on a loose leaf ledger, mark overdrafts, print a date and strike a balance.

By 1912 the bank purchased the rest of the bank building for \$10,000. The southern half of the building would provide lease income from the drug store and also future room to expand at the appropriate time. The following year Charles Ehlert sold his twenty shares to Olga Jordan, who became the bank's first female shareholder.

When the U.S. Congress created the Federal Reserve System in 1913, all national banks were required to be members. The system was divided into several geographic districts, each with its own Federal Reserve



Bank. First National Bank of Hartford bought a \$3,840 stake (39 shares) in the newly organized District Seven Federal Reserve Bank in Chicago. It was the start of a long and very useful relationship.

Population growth was putting pressure on the Hartford school system, and in 1914 a \$100,000 bond issue was floated for the purpose of building a new high school. First National bought \$44,000 worth of the bonds, in keeping with its policy of investing in worthy public projects in the Hartford area. In October 1915 Harry Radke started his 55 year career with the bank.

For many years the First National was known locally as “the bank with the chime clock.” In 1916 a 9x3 foot illuminated clock was suspended over the sidewalk in front of the bank, large enough to be seen plainly for two blocks in either direction. Its most distinctive feature was an authentic replication of the chimes heard from London’s famous Westminster Clock Tower. The chimes were sounded each quarter hour. The clock was electrically operated from a master clock inside the building.

Like many banks around the country, First National issued its own currency, called National Bank Notes.

The bank obtained a steady supply of this currency in denominations of \$5, \$10 and \$20 from an engraver in Washington, D.C.

Although very similar in



appearance to Federal Reserve Notes, the words “First National Bank of Hartford” were prominently printed on the bills. The bills were co-signed by the president and cashier of First National Bank of Hartford, and included an assurance that the bills were secured of U.S. Bonds on deposit with the U.S. Treasury. National Bank Notes were withdrawn from circulation in 1935.

By the time the bank reached its tenth anniversary in May 1917, assets were \$980,708 and would exceed a million dollars a month later. Deposits totaled \$839,838 and nearly half a million dollars were loaned out.

A bank examination at the time of the anniversary resulted in a letter from the Comptroller of the Currency, expressing concern about some overdue loans on the

books. The bank’s cool reply was that “the ‘so called’ overdue paper in the bank will be taken care of in the regular course of business. The bank knew its customers, but still had to defend its lending and investment decisions at every visit of the bank examiners.

After America entered World War I, Wisconsin residents bought a total of \$347 million in Liberty Bonds to support the war effort. Patriotism ran high in Hartford, whose residents could buy the bonds at First National Bank. The bank also invested in war bond issues for its own account. During a Liberty Loan rally in Hartford in 1917 a long stream of bond boosters, flags and marching bands paraded past the bank while enthusiastic crowds lined the sidewalks.

Public Service, Private Haircuts – The 1920s

John Liver was a leader not only of the bank, but also a leader in the public life of Hartford. He and his wife Magdalena were pillars of the Congregational Church. He was also active in civic and service organizations, and encouraged others at the bank to do likewise.

Otto Kissel, Henry Esser and Liver were charter members of the Hartford Chamber of Commerce when it was organized in 1923. Harry Radke was an officer of the Hartford Lions Club when it organized in 1931 and embarked on a long series of service projects. Elmo Sawyer, elected a director in 1917, became the first president of the Hartford Rotary Club when it was chartered in 1924. Another charter Rotarian was Roy W. Bailey, who a year earlier had become cashier of First National. Peter Westenberger was Hartford's mayor at the time he became a founding director of the bank. John Henry Lieven was mayor of Hartford from 1915 to 1929.

Liver was also active in the Wisconsin Bankers Association (WBA). During his term as president of the WBA's regional group he spoke out forcefully against proposed legislation that would allow big banks to establish branches in small cities. The large banks

would have to wait until 1968 before their lobbying efforts eventually made branch banking legal.

Henry Esser returned to the Hartford Exchange Bank in 1920. His duties as cashier were taken by Thomas Rees until 1923 when Roy W. Bailey, an able Eau Claire banker, began his long career as the bank's cashier.

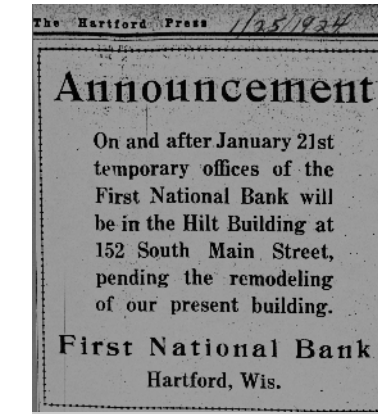
In March of 1923 the bank purchased the assets of the First City Bank from the estate of its principle owner, John Denison, who had died a year earlier. It's final balance sheet showed assets of \$21,000. Hartford still had three local

banks, however. In November 1916 the Hartford Savings and Loan Association (later to become Hartford Savings Bank) had opened its doors on Main Street.

Looking ahead to its future needs, First National in early 1923 engaged A. Moorman & Co., a Minneapolis architectural firm specializing in remodeling bank buildings. The bank was now ready to double its floor

space by occupying the entire ground floor. Plans were approved for a new front of Bedford stone and four granite columns ascending to the roof line of the two story building. The ground floor interior would be gutted and rebuilt with rooms and spaces arranged in a modern, functional design.

On a Saturday morning in January 1924, bank employees moved bank records and equipment to temporary quarters across the street. There were three large rooms, one of them fronting on the street and occupied by a barber shop. For the next seven months, while carpenters and masons worked across the street, it would be the bank's lobby, with the barber using a partitioned area at the rear of the room. The bank reopened the following Monday in a room where customers could get a haircut as well as do their banking.



When the doors of the remodeled bank reopened on Wednesday, August 20, 1924, an estimated 4,000 people passed through. They included bankers from Milwaukee, Chicago and many surrounding communities, offering congratulations. Inside, desks, counters and tables were heaped high with roses, carnations, lilies and other cut flowers sent by well-wishers.

The bank's directors and their adult families acted as a reception committee. There were gifts for everyone: cigars for

the men, roses for the ladies and noise makers for the children. A three-piece orchestra entertained until the affair broke up at 10 p.m. Employees conducted normal banking transactions throughout the day, and did the largest single day's business in the bank's history, according to an account in the *Hartford Times*.

For the next few years the expanded bank did a very good business. Deposits levels grew steadily, and were loaned out to feed the commercial and industrial growth of Hartford. Agriculture, however, was in a slump and several farm loans had to be foreclosed. There was also rental income from the office suites on the second floor of bank building, occupied by W. E. Sauerhering and by a Dr. Sachse.

John Liver died in 1925 after a two-week illness. His integrity and public spirit set the tone for the bank and this legacy continues to guide the bank today. After the stockholder's annual meeting in January 1926, directors elected Otto P. Kissel as the new president. Peter Westenberger and E.W. Sawyer were elected vice presidents and Bailey continued as cashier.



A Daring Holdup - 1930

Bank robberies and holdups became all too common in the 1920s. Dozens of banks were hit, usually by gang members working in concert. Alarmed, the Wisconsin Bankers Association hired a security professional, Walter L. Gaulke of Milwaukee, to advise bankers on what

protective measures to take, including the keeping of rifles and pistols on hand to repel attacks. At a bankers meeting in 1925 he even suggested buying lightweight, easy-to-use automatic shotguns for female employees.

First National Bank of Hartford in 1924 upgraded a burglar alarm system it had acquired in 1910. The new equipment was sold and installed by the American Bank Protection Company, Minneapolis. The vault was protected inside and out with double circuit sensors wired to two large alarm gongs inside the bank and a third on the outside of the building. The system was connected to a daylight holdup alarm that could be activated by a banker even with his hands in the air.

A bad year was 1926 when Wisconsin banks lost over \$300,000 to robbers and burglars. That was also the year that First National Bank of Hartford joined others in the Washington County Bankers Association in offering a \$500 reward to any bank employee providing information leading to the arrest and conviction of a bank robber. And if the employee could apprehend one, the reward was \$1,000.

These deterrents worked well until Tuesday, June 22, 1930.

At approximately 10:45 that summer morning a black Buick sedan paused in front of the First National Bank and discharged three men before driving away to circle the block. While one man remained at the entrance as a lookout, the other two entered the bank with guns drawn. One approached the desk of Roy Bailey, the cashier, who was pushed into a nearby office and slugged with a pistol when he made a defensive gesture. Bank employees and two customers were ordered to lie on the floor.



Harry Radke, the assistant cashier, was yanked to his feet and with the muzzle of a Colt pistol stuck in his ribs he was marched into the vault and ordered to open a small safe within containing the bank's securities and some cash. Understandably nervous, he fumbled the combination and admitted, "I missed it that time." The robber placed the muzzle of the pistol against Radke's

temple and replied, "You'd better not miss it the next time." Radke tried again and the lock yielded to his unsteady fingers. The robber scooped up the bonds and cash in the safe, then returned to the teller stations and emptied all of the cash drawers.

Less than five minutes after entering, the men were out the door and into their black getaway car. They sped north, then west out of the city for a clean getaway. Police arrived too late for pursuit.

Cashier Bailey, with a badly bruised scalp, later tallied the loss at about \$92,000, consisting of \$11,000 cash, \$67,000 in negotiable bonds and \$14,000 of other securities. In their haste to escape the robbers overlooked a packet containing about \$7,000 of currency laying on the counter.

The robbery was a sensation. The *Hartford Press* was on the street that afternoon with a special edition. The headline, in bold capitals two inches high, screamed “GET \$100,000 IN BANK HOLDUP.” The *Milwaukee Journal* rushed reporters and photographers to the scene and gave the story a full eight-column banner headline across the front page, throwing into relative obscurity these other stories that day: Hoover signs London naval pact, three hurt while fascists battle communists at a Berlin political rally, and a former Superior Court judge gets his law license back after being disbarred for accepting loans from bootleggers. The story was also front page news at the *Chicago Tribune*, with four photos on an inside page.

Inquires made by police turned up no trace of the robbers. The insurance companies put the Pinkerton Detective Agency on the case, but the bandits, in their late twenties or early thirties, have never been apprehended or identified. It wasn't John Dillinger, who was a guest of the Indiana state penitentiary at the time of the robbery. A year later a “comely young Chinese woman” was arrested while trying to sell one of the bonds through a San Francisco brokerage house. None of the other loot was ever recovered.

Thanks to accurate records, most securities were replaced by the issuer, although in most cases the bank was required to supply an indemnity bond. In September 1930 Roy Bailey met with representatives of Travelers Indemnity Co., National Surety Co., and Maryland Casualty Company and worked out a final cash settlement of \$43,167.50.

On the afternoon of the robbery it was once again “business as usual” at the bank. The excitement had died down and there were still customers wanting to entrust their funds with the bank. The employees may have looked a bit pale, but they were able to maintain customer service with a friendly smile.

Calming the Tempest – The 1930s

Shareholders of First National Bank of Hartford heard good news at their annual meeting in January 1930. Total assets were \$1,395,591 and customers had over a million dollars on deposit.

Three months earlier, security prices on the New York Stock Exchange had taken a dramatic plunge. The nation's major financial markets were in turmoil.

But the crash that rocked Wall Street was hardly felt in Hartford and other Midwestern towns. Life went on. No one yet could recognize that the Great Depression had begun. First National Bank of Hartford was still making loans to qualified customers. Kissel Motor Car Company received a \$10,000 line of unsecured credit in March. Leininger Co. received a \$5,000 loan in August to finance the sales of canned goods.

Within a year, declining employment and tight credit had unnerved customers. Fearful of cash shortages, they started to withdraw deposits and hoard cash, depleting the bank's reserves. Safety deposit boxes were in such demand that the bank had to purchase 440 more from a Chicago bank.

Indicative of the desperate times, the bank in March 1932 paid a Milwaukee firm to supply and install extra security measures as a safeguard against a repeat of the holdup suffered two years earlier. Teller windows, for instance, were enclosed in steel and bullet-resisting glass.

The new security fixtures were on exhibit during an open house in May 1932, as First National observed its 25th anniversary. There were flowers for the ladies and smokes for the gents as the public offered congratulations.

Behind their smiles, the officers and directors doubtless had to conceal a growing anxiety about the condition of the bank. Deposits had declined steadily for months, and the loan portfolio had a number of overdue notes. Roy Bailey, cashier, felt compelled to assure the Comptroller of the Currency that “slow and doubtful” accounts would be given constant scrutiny and possible liquidation. To maintain the bank's liquidity President Kissel was authorized to borrow up to \$150,000 from the Reconstruction Finance Corp. created by the U.S. government in January 1932.

Panic intensified in the following months, putting unbearable pressure on banks. Between January 1930 and March 1933 more than half of Wisconsin banks had suspended deposit payments. A third of Wisconsin banks closed and never reopened. Locally, the Kissel Motor Car Company suspended production and reorganized as Kissel Industries.

By October 1932 customer withdrawals from First National had depleted cash and reserves to dangerous levels. A bank examiner estimated that the bond portfolio had depreciated by \$119,396, which he felt seriously threatened the bank's capital. A month later the bank suffered another loss with the death of Henry G. Lieven, a founding director.

Officials of the bank were determined that First National would survive. With the concurrence of the Comptroller of the Currency, a plan evolved wherein customers would waive their right to normal withdrawal terms and accept payment of seventy percent of their deposits in installments paid over four years. Total customer deposits at that time were \$632,126, consisting of savings deposits, individual deposits, time certificates and postal savings accounts.

The balance of thirty percent would, as far as possible, be paid over an additional five years from the liquidation of depreciated assets the bank would transfer into a trust fund. Some \$121,947 of certain depreciated securities and \$16,295 of doubtful notes would be charged off the books of the bank and transferred to the trust. A Washington County Circuit Court judge appointed Roy Bailey, John Portz and George Place as trustees. The trust would terminate in ten years.

Directors of the bank were called into special session on Saturday, November 5 to formalize the Plan for Stabilization as an agreement between the bank and the trustees. Directors also heard Roy Bailey's bare-bones bank budget for 1933 and declared a moratorium on stock dividends until the depositors were repaid in full.

Bank directors and officers and other volunteers started knocking on doors to obtain consent waivers from depositors. The message: A further run on the bank could mean a failure in which everyone loses. But if we are calm and patient, the storm will pass and nobody loses.

A final appeal was made at a depositors meeting in the Hartford City Auditorium on Monday evening, November 7. Bank officials explained the situation and answered questions. The results were reported in a November 15 letter to the Comptroller, stating that 98 percent of depositors had agreed to the plan, which could now go forward. The bank's reputation for integrity and stability, earned during a quarter century of service to the community, had carried the day.

Morale at the bank must have been low when stockholders met for their annual meeting in January 1933. Otto Kissel had resigned as president. Elmo Sawyer, who had been a bank director since 1917, did not attend the meeting and was elected president *in absentia*. When he found out about it he wrote a polite but firm letter informing the board of directors that his law practice, Sawyer & Gehl, demanded his full attention, and so he must decline the office.



The stabilization plan had taken some pressure off of First National, but the national banking environment was still in chaos. On March 3, 1933 Wisconsin's governor, Albert Schneiderman, declared a 14-day bank holiday during which no business could be conducted. First National complied, but stayed open anyway so that customers could exchange cash for cash, and have access to safety deposit boxes.

Bailey and Radke continued to manage the day-to-day operations of the bank, and directors finally

recruited a new president in May 1933. It was Alvin Jordan, the son of Bruno Jordan, a founding director who died in 1923. A backlog of business matters awaited his arrival, but he had to give notice to his employer in Ohio, where he had moved after serving as a manager with the Kissel Motor Car Co. Assets had fallen to \$833,000, but the bank was continuing to make loans in amounts ranging from \$8 to \$3,000.

Property foreclosure actions were an unfortunate but necessary part of banking during the Great Depression. Legal matters associated with loans and trusts were now being handled by Elmo Sawyer, who agreed to serve as a vice president. Customer deposit levels started to rise after the bank in August 1935 was accepted for membership in the Federal Deposit Insurance Corporation (FDIC) and was issued certificate # 5297.

Sawyer was elected president in 1936 and piloted the bank through the financial shoals until his death in August 1939. Total assets and other indicators of bank health improved slowly but steadily under his stewardship.

Success Factors – The 1940s

War in Europe was on everyone's mind in 1940. Speaking to bankers and customers at First National Bank of Hartford in March 1940, a representative of Moody's Investor Service said that the economic outlook would depend to a large extent on the conflict raging across the Atlantic Ocean. He reviewed the bank's bond portfolio and made some suggestions about how to adapt it to a wartime economy. By the end of the year the bank had purchased \$25,000 of government war bonds, the first of many purchases the bank would make to finance the national war debt.

Many of Hartford's young men were entering military service, including Roy Bailey, the bank's cashier. As his replacement the bank hired Basil Peterson, an experienced and energetic banker. Assistant cashiers were Harry Radke and Ralph Winterhalter.

A. C. Vogelsang succeeded Elmo Sawyer as president in 1940. He and Alvin Jordan, a vice president, both continued as directors.

A month after the Pearl Harbor attack the bank sold off \$294,000 worth of devalued municipal bonds and spent the money on \$300,000 of war bonds

newly issued by the U.S. Treasury. The switch was recommended by The Wisconsin Company, the bank's Milwaukee-based investment advisory service, but it was later criticized by a federal bank examiner.

The bank had been paying depositors according to the Plan for Stabilization established in November 1932, but the remaining assets in the trust fund could not be converted to sufficient cash in time to meet the November 1942 expiration deadline. Trustees obtained a ten-year extension of the fund and considered their next move.

A six-person delegation led by President Vogelsang in May 1943 traveled to Chicago to confer with N. R. Oberwortmann, the examiner responsible for the Hartford bank. He proposed issuing preferred stock to the unpaid depositors. An alternate plan was finally chosen, which was approved by shareholders in October and implemented a few weeks later.

Five directors of the bank paid \$4,550 (\$910 each) for the residual trust assets. The bank then used \$64,151 of its own earned reserves to finally pay the remaining balances due depositors, and terminated the trust. The date was November 15, 1943. Calm and patience had prevailed. No depositor in First National Bank of Hartford lost money.

By the end of 1942 customer deposits were at an all-time high of \$1.4 million, finally exceeding the bank's pre-Great Depression levels. The reason was obvious. With the national economy on a wartime footing, people had jobs and paychecks, but precious little to spend it on. Instead, they were banking their money in anticipation of a postwar consumer economy.

Wartime rationing and shortages also reduced loan activity at the bank, so the bulk of customer deposits were invested in U.S. Treasury bonds. The bank's Treasury holdings swelled to over a million dollars in December 1943. By the end of the war the bank was holding customer deposits totaling \$3.6 million and holding \$2.4 million worth of Treasury bonds.

At the bank's annual meeting in 1944 Basil Peterson reported that the bank had produced a \$30,062 profit during 1943. It was the best year the bank ever had, enabling the bank to completely absorb the net loss from the old trust, an event no one had dared to predict a year earlier. Success factors, said Peterson, were the elimination of bad loans, the introduction of effective service charges and the large amount of war bonds sold to customers. Basil could dazzle. With a salesman's flair he presented exhibits that showed, among other things, how the bank had arrived at a cumulative profit

of \$237,000 since its founding in 1907.

Deposit activity continued so strong that in September 1944 the bank spent \$935 to have an automatic after-hours depository installed through the front wall of the bank. That also was the year that the bank first engaged the Milwaukee-based accounting firm of McDonald, Sprague & Co. CPAs to prepare the bank's federal and state income tax returns. The bank continues to retain that firm today, although the name has evolved into Virchow, Krause & Co. LLP through mergers and acquisitions.

A. C. Vogelsang had accepted the presidency on an oversight basis rather than take an active management role, for which he was content with an annual honorarium of \$300. He was proprietor of the Central Hotel and Restaurant located across the street from the bank, although he turned active management



A. C. Vogelsang

1940-1962

of that enterprise over to his sons. His daily routine was to stroll across the street at midmorning to the bank, smoke a cigar, converse with customers and staff, return to the hotel for lunch and call it a day.

As cashier, Peterson earned the bank's top annual salary of \$4,500, while the assistant cashiers, Harry Radke and Ralph Winterhalter, earned about \$2,800.

In March 1945 Peterson persuaded the board of directors to establish an annual bonus plan for officers. Peterson did not linger long enough to earn a bonus. In June 1945 he resigned to become the executive director of the University of Wisconsin Foundation, a nonprofit corporation being created by prominent alumni to procure gifts for the university. Sparkplugged by Peterson, the foundation raised millions of dollars and built the Wisconsin Center on the Madison campus by the time he retired in 1959.

In January 1946 shareholders received a three percent dividend, the first dividend the bank had declared since 1932, when the Plan for Stabilization had been implemented. Two years later shareholders received a one hundred percent stock dividend., doubling the number of shares.

At the end of World War II First National Bank of Hartford, like most banks in Wisconsin, found itself in a very changed banking environment. The balance sheet numbers were much larger. Regulatory controls were more stringent. Customer aspirations were higher. Factory workers and returning war veterans wanted installment financing for homes, automobiles and college education. The bank found ways to accommodate customers' needs, sometimes offering low-interest loans guaranteed by government programs. Starting in 1948 the bank purchased mortgages guaranteed by the Federal Housing Authority (FHA) and originated by Amortized Mortgages of Milwaukee, Inc.

At this time the bank also entered the trust business when it agreed to be executor of the estate of a local landowner. The bank was already a fiduciary, having been for many years the paying agent for the City of Hartford's utility revenue bonds. Harry Radke was appointed trust officer and for several years thereafter he traded in livestock and farm implements as he managed the landowner's estate.

Transitions – The 1950s and 1960s

At mid-century a new generation was now running the First National Bank of Hartford. Ralph Winterhalter took Peterson's place as cashier. Alvin Jordan and Harry Radke were vice presidents. Among the additional staff hired was a teller, James Hader, a Navy veteran who had lost a lung in the war. Otto Kissel continued as a director, but he was now the last of the founders still associated with the bank. His only daughter, Beatrice Kissel Schauer, still has an account at First National.

Conservative policies were continuing to assure steady though unspectacular growth for the bank during the 1950s. Profits were such that shareholders started receiving dividend checks on a quarterly rather than semiannual basis.

Some new equipment was added, including a new National Cash Register (NCR) posting machine that replaced a wartime Burroughs machine. The bank was still doing business in the same building it had always had, and that was a problem. The remodeling that seemed so modern in 1924 had by now become out of fashion with banks being built in the postwar period.

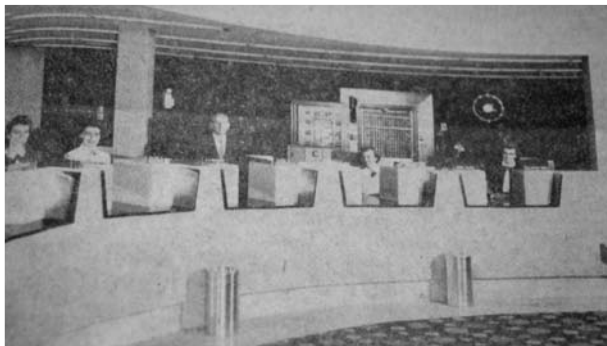
In consultation with a remodeling firm, the bank developed a plan to freshen the bank's interior in a style that was more welcoming to customers. The granite pillars outside were vaguely intimidating, but that was just a façade. Inside, the bank would have a heart that was warm and friendly. Remodeling was completed just in time for the bank's golden anniversary celebration in 1957. At the open house on June 8th visitors saw a radically



transformed interior. Six marble low-rise teller stalls were arrayed in a sweeping arc. The terrazzo floor of the lobby was now carpeted, an industry innovation at that time. A dropped ceiling with recessed lighting gave the lobby a pleasant glow. The effect drew favorable comment in several banking publications.

The open house was a convivial affair, but officers and directors knew that the remodeling project was a stopgap measure. If the bank was to grow, more space would eventually be needed, and that wasn't feasible at the present location. The bank needed to improve accessibility for a growing population that was more affluent and mobile, desirous of drive-up teller windows and other conveniences.

Although the commercial center of Hartford was starting to shift to the east side along state highway 60, the bank was committed to a presence in the city's historic downtown. Assembling suitable space for an expansion would take patience.



Fringe benefit programs for bank employees started in 1958, when First National joined an insurance group created for members of the Wisconsin Bankers Association. Health and disability insurance became available at a nominal cost to employees and directors.

Most of the original shares in the bank had by now passed to the families and acquaintances of the original shareholders, either through inheritance or sale. Accumulated profits had driven up the value of individual shares to the point that eliminated potential purchasers. With that in mind the bank in 1961 declared a four-for-one split of the stock, each now having a par value of \$25. More stock splits would occur over the years to facilitate a market for the shares. There was a general consensus among shareholders that the ownership base should be broad but local.

Many changes occurred at the bank in 1962. Ralph Winterhalter, a senior vice president with 29 years of service, died in April,

precipitating adjustments in the bank's executive lineup. A. O. Vogelsang felt that, after 23 years as president, the time was right for him to step down. He was succeeded by Harry Radke as the bank's full-time president. James Hader was elected vice president and cashier and Harold Hilgenberg assistant cashier. Alvin Jordan had retired from the bank and now chaired the board of directors.

Two tellers recently hired were destined for higher office.

Dennis Carroll was a Hartford native and captain of the varsity basketball team at Marquette University, where he graduated in 1957. He was also an officer in the local National Guard unit that was called to active duty a few months after his hire date, requiring him to take a leave of absence from the bank.

James Vogelsang, a grandson of A. O. Vogelsang, would find not only a career at the bank, but also love. He and Kathy Theisen met while working in the bookkeeping department and figured they liked each other well enough to get married. The downside: a bank policy that required one of them to resign.



With a new management team in place, the bank began in earnest to lay the groundwork for a strategic relocation and expansion. Eventually, by a combination of options, purchases, trades with the city and foreclosures, a sufficiently large parcel of land was assembled just one block to the west, along Sumner Street. The effort included reconfiguring street patterns around the site and remediating soil contaminated by a Texaco service station formerly operating on the property. R.W. Surplice, an architectural firm specializing in banks, was hired in 1967.

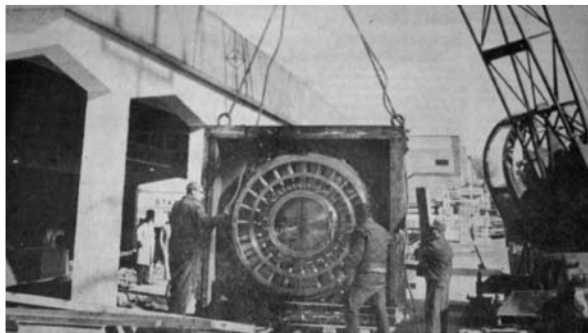
President Radke learned in 1968 that the National Exchange Bank in Fond du Lac was relocating, and that its massive circular vault door was available. He led a delegation of five from the bank to inspect the door, and they agreed it would be perfect for the vault of the new bank. In a three-way deal, the door was acquired for \$10,981, which included refurbishment and eventual installation by the Diebold Safe & Lock Company. Before the walls of the new bank were up, a crane from Milwaukee would have to lift the 25-ton door into place.

Diebold would also install the new bank's security system, which included a burglar alarm, drive-up window system, night depository, vault ventilation, cash storage unit, and the moving and reinstalling of safe deposit boxes.

Local contractors got most of the construction contracts. Frey Construction was general contractor. A. A. Schmidt did the plumbing, W.G. Jordan & Son wired the building and Pro-Tel Inc. installed the heat and venting systems.

A buyer was found for the old bank building on Main Street, and the ground floor was remodeled into a tavern. The exterior remains unchanged today, although the night depository is welded shut. Inside "The Bank Shot" you can still draw a draft while waiting your turn to shoot pool.

Harry Radke was a gruff, stocky, no-nonsense man who guided the building project through property acquisition, the permitting process, and dealing with architects and contractors. He did not live to see these efforts come to fruition. His tireless work in his 55 years at the bank ended when he suffered a fatal heart attack in March 1969.



Executives of First National have historically come up through the ranks, and serve in many capacities during their career. The bank's policy of developing managerial talent internally provides for an orderly succession when vacancies occur. Although Radke's passing was sudden and unexpected, bank operations continued smoothly under new leadership. James Hader was elected president in July 1969. Besides guiding bank operations, he and Dennis Carroll successfully concluded the building project that Harry Radke started.

Tellers and Technology – The 1970s

Customers and employees were delighted with the bank's new building at 116 W. Sumner Street. Inside the spacious lobby there were eight teller stations. More safe

deposit boxes were now available. The size of the lending area was larger. Along an outer wall were three drive-up teller stations, the first such drive-up facility in Hartford. The first drive-up customer was John Gould in a horse and buggy.



Visitors at the open house event on April 13, 1970 were given a 14-page booklet explaining the new bank's many amenities and noting that the 25-ton vault door,

in full view from the lobby, was so perfectly balanced that it could be closed with one hand. An image of the new building was put on the bank's letterhead. Bank hours remained the same: open from 9 a.m. to 5 p.m. Monday through Thursday, and until 8 p.m. on Friday.

In addition to being bank officers at the time, Hader and Carroll were also directors. The board then included Bruno Jordan (Alvin's nephew), Robert Vogelsang, Gilbert Krause, Harold Berndt, M. J. Portz and Joseph Marx. When Alvin Jordan, the chairman, died in 1973, he was succeeded by Joseph Marx.

Carroll became a vice president in 1971 and turned over his cashier responsibilities a year later to James Semler, an experienced banker recruited from the Hartford Exchange Bank. Assistant cashiers were



Harold Hilgenberg and James Volgelsang. Nancy Synder was appointed an assistant trust officer in 1978, becoming the bank's first female officer.

The data processing outsourcing agreement with First Wisconsin Bank was terminated in 1975 when the bank leased an in-house computer. The NCR Century 50 drove paper tapes and posted ledger sheets that tellers would file in open tubs.

Fridays were busiest, recalls Jeanette Weber, who was hired as a teller at the time. The bank and downtown stores were open until 8 p.m. on Fridays, and that attracted workers and farmers downtown to shop, relax and do some banking. Customers would line up seven or eight deep at the teller window to cash or deposit paychecks and milk checks. Employees could not go home until the day's business was balanced and reconciled,



to the penny, and that could be as late at 11 p.m.

Female tellers started wearing uniforms in the late 1970s, supplied by Esther's Fashion Store in downtown Hartford. The first uniforms were a pants and jumper of burnt orange, which tellers could mix-and-match with an alternate floral outfit. Tellers and the bank shared the expense. Through the years the uniform evolved to blouses, skirts and jackets with a more stylish,

professional appearance.

In 1979 First National formally adopted the requirements of the Community Reinvestment Act (CRA). It was passed by Congress in 1977 to encourage depository institutions to help meet the credit needs of the communities in which they operate. From its inception in 1907 the bank has embraced the spirit of the Act by making loans

and investments that would enhance the economic and cultural vitality of the local area.

In the early years most of the bank's customers were farmers who needed to finance land, equipment, livestock and crops. But by the 1970s a gradual urbanization had shifted the bank's "defined community" to a mixture of commercial and industrial customers, along with consumer banking.

Improving Hartford's downtown district was a matter of special interest to bank. In the late 1970s



the bank made low interest loans to several Main Street merchants to improve their store fronts. With the bank's help over the years, Hartford's downtown remains a vital focal point of civic life.

Teller stations were radically transformed at the end of the decade when the bank's NCR computer was

upgraded and linked to CRT terminals and keyboards at the teller stations. A crew from NCR spent three months at the bank installing the new system and training tellers how to use it. Later there would be several upgrades to the system, including flat screen terminals, but it would remain the basic configuration for the next 25 years.

Percherons on Parade - The 1980s

First National Bank of Hartford found new ways to serve customers in the 1980s. Being a federally chartered bank certainly helped. The U.S. Comptroller of the Currency encourages well-capitalized national banks to expand and diversify their services and thus strengthen their competitive position in the growing field of financial services.

A very popular service was the bank's first automated teller machine (ATM), installed at the front of the bank building in April 1981. It was a through-the-wall walkup unit. Made possible by the bank's membership in the TYME (take your money everywhere) network, this new feature allowed customers access to their cash at thousands of locations.

Another customer service was a covered drive-through addition for eight remote teller stations. Built in 1985, it had five lanes for cars, one truck lane, a commercial lane and an ATM lane.

Trust services were expanded in the 1980s. The service had started casually with a single client after World War II, and in 1972 was formally granted fiduciary powers by the Comptroller of the Currency, with the concurrence of the Wisconsin commissioner of banking. Dennis Carroll was the trust officer in 1987 when the Trust Department's assets under management had reached a million dollars.

Investment services were added in 1986 to help customers manage their assets and meet financial goals. Stocks, bonds, funds and annuities were some of the first products introduced by David Cutler, the bank's first investment

representative. He laid the groundwork for an expanded department represented today by Debra Mertz and Nathaniel Schlotthauer.

A more sophisticated software program, Banker II, was added in 1986. That was also the year the bank acquired a standby generator to assure uninterrupted electrical power to the bank's computer and security systems. A three-camera surveillance system had been added in 1983.

The last computer upgrade of the decade came in 1989 with the acquisition of a new \$350,000 NCR mainframe computer.

Hartford's centennial celebration was a city-wide event which the bank supported financially and in other ways. Employees dressed in fashions seen in 1883, the year of Hartford's incorporation as a city. Many male residents, including bank employees,



got into the retro spirit of the event by growing beards and mustaches. The celebration culminated in a gala parade down Main Street and out to a city park. Costumed employees rode the bank's float, a flat bed hay wagon pulled by a team of six Percheron horses supplied by a bank customer, Leroy Yogerst.

Double-digit interest rates prevailed in the early 1980s, forcing banks to tighten credit requirements. The bank's loan officers were now relying less on collateral and more on cash flow. A weak economy also forced the bank to take legal measures to protect its interest in collateralized properties. Thomas Kissel, a Hartford attorney, for many years handled the bank's legal work locally.

Shareholders received a special 75¢ dividend in 1982 to observe the bank's 75th anniversary. At the annual stockholders meeting that year much of the talk was about the wave of bank consolidation that was eliminating many of Wisconsin's smaller, independent banks. They were being purchased and absorbed by larger banks organized as holding companies. It was a process that accelerated during the early 1980s when the state's branch banking law was relaxed. To improve corporate flexibility for the bank, shareholders

at that 1982 meeting voted to convert First National from a single bank to a one-bank holding company.

That conversion process would be long and complex. The bank now turned for legal council to Erich Mildenberg, a former banking commissioner for Wisconsin and an attorney in the Milwaukee law firm of Davis & Kuelthau. He was already guiding the bank in dealing with the regulatory and statutory requirements that were intensifying in the banking industry. The conversion was completed in 1985 with the creation of FNB Hartford Bancorp, Inc., a bank holding company. Shares of the bank were swapped for shares in the holding company, which became the sole owner of First National Bank of Hartford.

The year 1985 was a milestone year in other ways, too. An Employee Stock Ownership Plan (ESOP) was established. In November 1985 James Hader retired as president of the bank and was succeeded by Dennis Carroll. A few months earlier Timothy Purman, a graduate of Hartford Union High School and Western Illinois University, had joined the bank as a management trainee. The directors at this time were Hader, Carroll, Bruno Jordan, Gilbert Krause, Joseph Marx, A. L. Laubenstein and Robert Vogelsang.

Hatching New Business – The 1990s

On three acres in Hartford's Western Industrial Park sits a unique "incubator" called the Innovation Center. Instead of infants or eggs, this 43,900 square foot building incubates fledgling businesses until they become strong enough to survive on their own. Entrepreneurs and inventors can lease space at very affordable rates and share services.

The Innovation Center opened for business in 1990, but it got its start in 1988 when First National Bank of Hartford became one of the first banks in the nation approved by the Comptroller of the Currency to invest in community development projects. To get things started the bank created the Hartford Community Development Corporation (HCDC), a wholly owned, for-profit subsidiary of the bank. Dennis Carroll and Peter Engel, then the executive director of the city's development



entity, the Hartford Area Development Corporation (HADC), agreed that the two corporations should go into partnership to establish the incubator, with the bank providing equity and mortgage financing.

Several Hartford businesses now owe their start to the

Innovation Center. The bank sold its interest in the Center to the HADC in 2002, but the HCDC continues as a useful entity for the bank's other community development projects. In 1991 the bank joined three other banks to underwrite \$1.3 million of CDA bonds for the Harthaven elderly housing project.

Several downtown property owners took advantage of the bank's special low-interest loans to renovate their store fronts. To help deal with the growing demand for loans, and also cope with new regulatory requirements regarding lending practices, the bank in 1991 recruited David Rohrer.

Through the years First National has provided leadership and financial support for a long list of projects that fortify the economic, cultural and social vitality of Hartford. A short list of recent projects would include the Schauer Arts & Activities Center, Chandelier Ballroom, Wisconsin Automotive Museum, Washington County Fairgrounds and the Slinger Waterpark.

Directors, officers and employees of First National have historically been active participants in community affairs. Dennis Carroll was a city alderman and chaired the Hartford Housing Authority's board of directors during the building of Harthaven. Tim Purman served on the HCDA board during the replacement of the old Washington School with the Washington Heights Senior Housing facility. Jim Semler, a senior vice president at the bank, was a director of HADC for six years. Dennis Carroll, Jim Semler and Jim Volgelsang participated in many of the community service projects of the Hartford Lions Club. Tim Purman and David Rohrer are active in the Hartford Rotary Club, whose projects included the restoration of the historic Chandelier Ballroom in Hartford. Iris Hulbert, a bank vice president, served a term as president of the Slinger Rotary Club. Tim Purman chaired Washington County's United Way campaign in 2001.

The bank's community development efforts were allowed because of its federal charter and a strong capital structure, and made possible by sound management practices that kept the bank consistently profitable. To build and retain customer loyalty, the bank took several steps to enhance customer satisfaction during the 1990s.

The bank's Prime Time Club, started in 1991, is popular with senior (age 50 and over) customers who maintain a \$1,500 balance. Members gather once a month in the bank's parking lot and are whisked away by bus for a day trip to an interesting destination. There are other social activities, and the financial perks include free checks, money orders, discounted safe deposit boxes and bill paying services.

Charcoal grills were ignited on the bank's expanded parking lot when the bank proclaimed Customer Appreciation Day on its 85th anniversary in 1992. Employees served hearty food and drink to customers who stopped by to do business, ride the new elevator to the trust department or check out a new special room that community groups could use for meetings and celebrations. A year later the bank interior received a makeover with new carpeting and furnishings. The bank held a similar appreciation day five years later to observe its 90th anniversary.

In 1994 the bank joined the Elan network of financial services, and started issuing credit cards. Customers could choose Master Card or Visa, and carry the card with an imprint of First National Bank of Hartford.

Remote banking became a customer service in 1997 when telephone access was introduced. Customers could now dial into the bank and obtain account balances and transact business by entering certain codes in their touch-tone phone.

Commercial customers continued to receive an understanding and helpful reception in the bank's loan department. In 1997 the bank was honored as Wisconsin's most "Micro-Business Friendly Bank" by the federal Small Business Administration (SBA).

To better service the bank's many customers in the Slinger area, the bank in 1992 converted a former grocery on Washington Ave. in Slinger into a branch bank. At the grand opening ceremony Slinger's village president cut the ribbon and radio station WKTW did a remote broadcast. Managed by Iris Hulbert, the full-service branch featured five teller windows inside and four drive-up stations, plus a community room.



Attorney Erich Mildenberg was instrumental in getting regulatory approval for the Slinger branch. In 1999 Mildenberg was called upon again, this time to help the bank establish a subsidiary in Nevada as a way to remain competitive with Wisconsin's regional banks which had previously formed similar subsidiaries.

Putting a branch in Slinger put the bank in direct competition with its main correspondent, First Wisconsin Bank, which had acquired a local savings institution in Hartford, Federated Financial Services. For that reason the bank ended its long relationship with First Wisconsin and started a new one with Bankers Bank, headquartered in Madison. First National continues to use Bankers Bank as the main conduit for inter-bank transactions, and for certain advisory services.

The bank's longest-running professional relationship is probably with the CPA firm of Virchow, Krause & Co. LLP, which prepares the bank's tax returns and certain regulatory reports. Bill Volkman, a Slinger resident, was the partner on the bank's account for over twenty years, and he was succeeded by Paul Batchelor, who served the bank for another twenty years.

As chairman of the bank's computer and compliance committee, Tim Purman in 1996 enhanced the bank's computer system with Information Technology Incorporated (ITI) software and Unisys hardware. With the retirement of Jim Semler the following year, Purman was elected a senior vice president, cashier and a director.

The 100-Year Bank - The 2000s

New Year's Day 2000 dawned auspiciously in Hartford. The world had not ended, as some fanatics had predicted. Bank computers had not crashed, at least not the mainframe at First National Bank of Hartford. The bank's computer and compliance officer, Tony Andereck, had carefully screened out the so-called "Y2K bug" from the bank's computer software.

It was Dennis Carroll's first day of retirement, and Tim Purman's first day on the job as the ninth president

of the First National. Both were on the bank's board of directors, along with chairman Jim Hader, Bruno Jordan, E. A. Laubenstein, David Schulteis, Jim Semler, Gerald Uebele, John Unser and Bob Vogelsang.

The rest of the year saw business as usual, except for the introduction of a full line of insurance services, starting with auto, home, life and health. The agency, called FNB Hartford Insurance Services Inc. and managed by Andrew Kasten, complemented the investment and trust departments already inside the bank. Customers now had a very complete array of financial services conveniently located under one roof.

New Year's Day 2001 also dawned auspiciously, but the terrorist attack on September 11 suddenly altered world security, and bank operations in particular. The Patriot Act, signed into law a month later, mandated new security measures that imposed a considerable paperwork burden on banks. Customers could no longer walk up to a teller window at First National and open an account with a signature.

First National, like other banks, had to re-train employees in the elaborate new rules for transacting business and keeping records while protecting customer privacy. It was an unfunded mandate, and the considerable costs had to be borne by the bank. Two public accounting firms, Virchow-Krause and

RSM McGladrey, were engaged to make a complete audit of the bank's compliance with the requirements of the Patriot Act, the Bank Secrecy Act and the Gramm-Leach-Bliley Act.

The new restrictions were vexing to customers, too, but that was offset by a new convenience started at First National in 2003: online banking. The bank already had a site on the Internet's world wide web, and now it was interactive. Customers could use it to access their accounts from the comfort of home or office. Other banks had it, and First National had to have it too.

Thirty years of unrelenting mergers and acquisitions had by now consolidated much of Wisconsin banking in the vaults of a few mega-banks. Hundreds of independent banks in Wisconsin disappeared while the number of branch operations had exploded. First National had kept its independence, but it was now



vying for customers in a crowded field of eight financial institutions in the Hartford-Slinger market.

The bank's answer to this intensively competitive environment was to reassert its heritage of strength, independence and service. These qualities would be embodied in an enlarged and completely renovated headquarters building that would reaffirm the bank's friendly, small town character - a place where credit decisions are made locally and quickly without being referred to some distant home office. It would be optimized for personal service where local consumers and commerce could enjoy a stable and secure source of capital.

Contractors, principally the Jansen Group, went to work in 2004, gutting the 35-year-old building and adding 4,900 square feet of new space. Whole departments were relocated and expanded. Much of the interior work was done at night to minimize the disruption to normal bank operations.

The circular shape of the massive vault door became a design theme in the bank's decor. A special information area was created on the main floor where customer service professionals can discuss new bank products and services, especially Internet banking options. High-definition televisions were mounted in waiting areas so customers can watch CNN or financial information channels while waiting to speak with bank officers. The area around the bank was developed as a landscaped community plaza featuring a clock tower, an echo of the bank's famed chime clock of decades ago.

Work was completed in time for a gala open house event on Saturday, April 23, 2005. Local officials, including Mayor Scott Henke, joined customers, contractors and other well-wishers to watch Tim Purman cut the ribbon for the



official opening. Employees led groups of visitors on a tour of the bank that ended with prime rib served in the downstairs community room. Plunkett Raysich Architects, Milwaukee, won a design excellence award from the Wisconsin chapter of the American Institute of Architects for its handling of the project. It was one of only two projects to receive a Gold Award from the American Society of Interior Designers in 2005.

The bank's renewal was more than just bricks and mortar. New hiring brought the staffing level to 53, and there was a new emphasis on staff training and development. The bank's ESOP, 401k and group insurance packages were enhanced. Management ranks were strengthened with the recruitment of Timothy Miller as senior lending officer and Laurie Hilger as corporate financial officer. Both started on April 21, 2003.

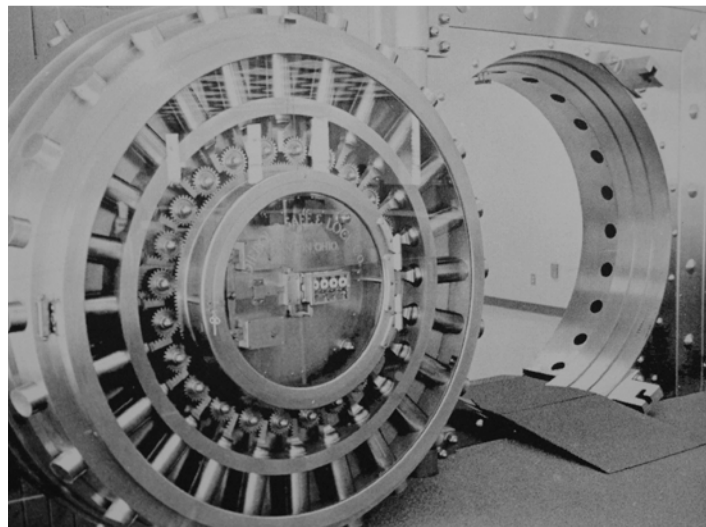
As of 2004 many changes had occurred on the bank's board of directors. Within a two-year period death took four board members: Bob Vogelsang, Bruno Jordan, E. A. Laubenstein and David Schulteis. Jim Hader resigned and was replaced by Dennis Carroll as chairman. New board members recruited were Gerald Wannow, Alan Laufer, Thomas Miotke, Mark Hauser and Scott Lopas.

By 2006 the bank's mainframe computer was due for yet another expensive upgrade, after being given a \$94,000 boost in 2002. Instead, the bank put an end to thirty years of processing its own data. In November 2006 it once again started outsourcing this function to a service bureau, United Financial Services of Grafton. Transactions are now being carried by a high-speed telecommunication connection rather than in the saddlebags of a motorcycle courier.

First National intends to remain an independent locally-owned community bank headquartered in downtown Hartford. It now has over \$150 million of assets, most of it loaned out to serve the

needs of businesses and families in the Hartford-Slinger area. The bank's 53 employees are drawn from the area and are part of its economy.

As the bank celebrates its centennial in 2007, it can look back on its hundred year track record and take pride in what it sees. Integrity, competence and community service have been the guiding ideals as the bank achieved success and overcame adversity, and these ideals continue to guide the bank as it looks to the future.



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This history could not have been completed without the enthusiastic cooperation of many of the bank's past and present employees.

The Bank of Opportunity for Every Generation

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