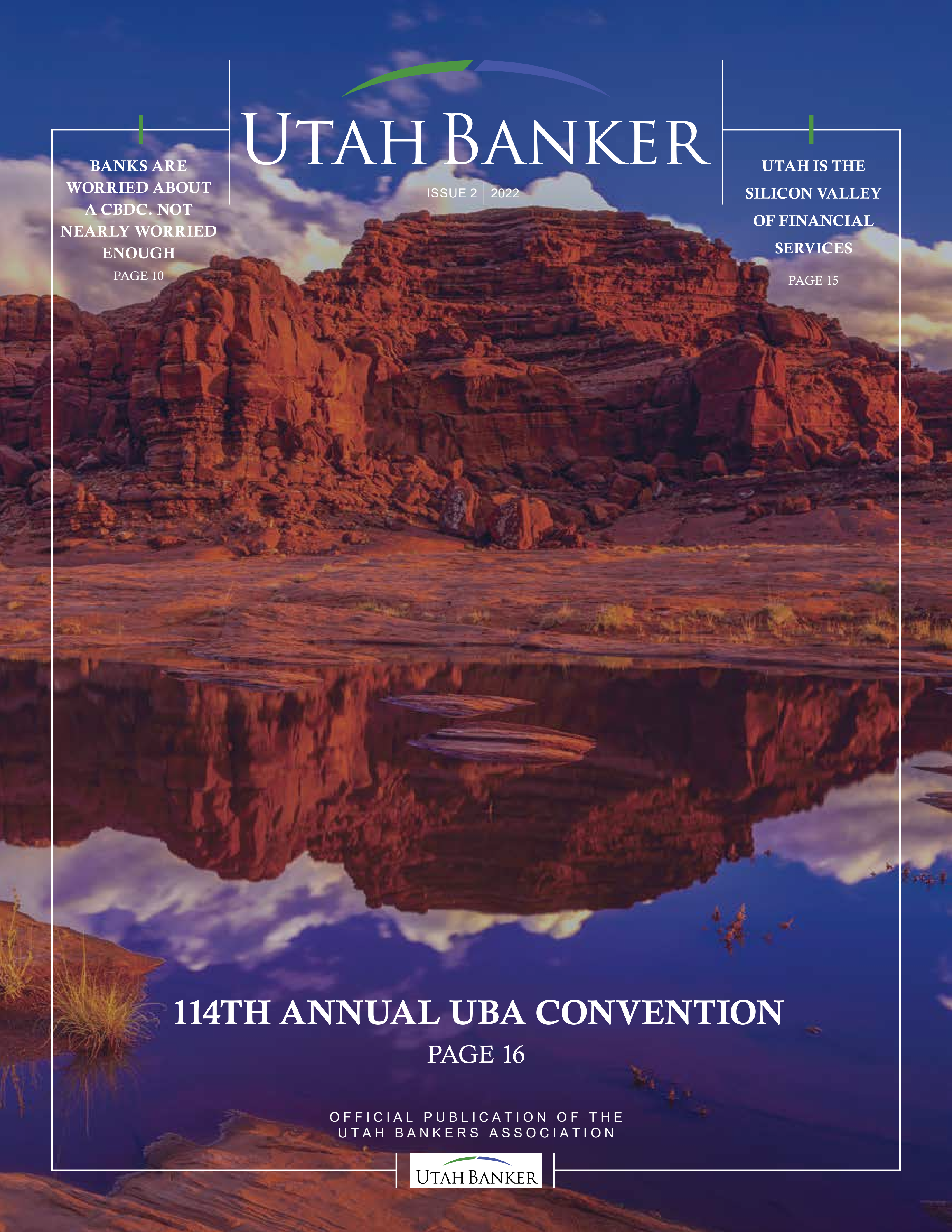


# UTAH BANKER

ISSUE 2 | 2022

**BANKS ARE WORRIED ABOUT A CBDC. NOT NEARLY WORRIED ENOUGH**

PAGE 10

**UTAH IS THE SILICON VALLEY OF FINANCIAL SERVICES**

PAGE 15

## 114TH ANNUAL UBA CONVENTION

PAGE 16

OFFICIAL PUBLICATION OF THE
UTAH BANKERS ASSOCIATION

UTAH BANKER


SBA Lending Experts
*Est. 1990*

UTAH BANKERS ASSOCIATION

CONTENTS









## UBA Staff


Howard M. Headlee
President
howard@utah.bank

Becky Wilkes
Senior Vice President
bwilkes@utah.bank

Beth Parker
Director of Education
beth@utah.bank

Sara Matute
Director of Member Services
sara@utah.bank

Brian Comstock
Director of Communications & Marketing
brian@utah.bank




THE newsLINK group


**Howard Headlee**
President and CEO
Utah Bankers Association

# THE BOTTOM LINE

Recently, I was rummaging through my mother's basement when I found a fascinating letter to my father from the White House, signed by Bill Seidman. I guess I never knew of their relationship. The letter began, "The President and the Congress have agreed to hold a Conference on Inflation. They would appreciate your participation ..."

It concluded with, "The Conference on Inflation is a bipartisan national effort to deal with our number one domestic problem. Your participation will be a real service to our country, and I do hope that you will be able to give us the benefit of your thinking."

That was pretty cool! And very relevant to today's economic circumstances.

I vaguely remember our country's last big fight with inflation; the year was 1980, and I was 16 years old. Ronald Reagan had just been elected with a mandate to fix the problem, which he did by working with Tip O'Neill and Howard Baker to implement some very tough economic measures. This led to a devastating election for Republicans in 1982, the year my dad just happened to be running for Governor of Michigan. But by 1984, inflation was whipped, and Reagan was overwhelmingly reelected.

So, imagine my confusion – and stunned disbelief – when I looked at the date on the White House letter: Sept. 24, 1974! I had no idea that our last big battle with inflation lasted almost TEN YEARS!

This makes today's situation seem so much more daunting. It's not that we don't know what causes inflation and what it takes to get it under control. But whipping inflation requires political will, discipline, and bipartisan resolve. It took 10 years to muster those resources back in the '70s. Today, I wonder if it is even possible.

Republicans are poised to make gains in the upcoming election, and perhaps they will take control of the House and even the Senate. Democrats will be desperate to retain the White House in 2024 and will have little incentive to help a Republican Congress whip inflation. Rather, they will likely focus their efforts on shifting blame for inflation onto Republicans.

If you don't believe me, just look at immigration. Building a world-class immigration system is not rocket science, so why have we had to endure a broken system for decades? Because it's a great political weapon both parties use to try to win elections, there is little incentive to actually fix it.

Stopping inflation is central to the core mission of banking – helping every American build wealth and pursue the American Dream. It will not be easy, but if we speak up now and keep the focus where it needs to be, we can dramatically reduce the amount of time it will take to stop the current erosion of American wealth.

My guess is that in the short run, political consultants for both parties will convince their party leadership that they can successfully build a narrative around inflation that will punish their opponents. This will go on for as long as voters tolerate and reward it. But in the long run, after every American is much poorer, voters will have had enough, and one party will realize that the reward of ending inflation is worth the tough medicine required.

How long will that be? It depends on how long the American people tolerate political gamesmanship.

I believe bankers can expedite the solution by clearly communicating the real causes of inflation and what it will take to get it under control. We should organize an aggressive and united campaign to repudiate any opportunists that promote myths and false narratives about inflation for political gain.

Stopping inflation is central to the core mission of banking – helping every American build wealth and pursue the American Dream. It will not be easy, but if we speak up now and keep the focus where it needs to be, we can dramatically reduce the amount of time it will take to stop the current erosion of American wealth.

Americans trust banks far more than Congress, so I'm confident that we could have an impact. Just like PPP, America once again needs bankers to take the lead. ■

**Rob Nichols**
President and CEO
American Bankers Association

# NO DEAL: STATES SLAM ON BRAKES FOR CU ACQUISITIONS OF COMMUNITY BANKS

It would have been the largest acquisition of a community bank by a credit union – but word came in mid-June that the deal was off between VyStar Credit Union and Heritage Southeast Bancorporation after a failure to receive regulatory approvals. If completed, the deal would have made Jacksonville, Florida-based VyStar the 13th largest credit union in the nation.

The deal was just one of a growing list of mergers announced between tax-exempt credit unions and taxpaying banks in recent months – but states are starting to sour on the idea.

Earlier this year, the Minnesota Department of Commerce blocked the acquisition of state-chartered Lake Area Bank by Royal Credit Union, officially clarifying that state law does not permit the acquisitions of state-chartered banks by credit unions. Similar actions have taken place in Colorado, Iowa, Tennessee, and Nebraska.

Meanwhile, the Mississippi state legislature succeeded in passing a law stipulating that only FDIC-insured banks can acquire or merge with Mississippi-chartered state banks. The law, which goes into effect this July, puts a halt to any deals in progress that don't comply with the new requirement.

These are encouraging developments.

The decision to merge is, of course, a business decision that must be made at the individual level. But states are increasingly acknowledging that allowing tax-exempt credit unions to gobble up taxpaying banks – taking them off the tax rolls for good – is poor public policy that imposes costs on consumers and taxpayers, and they're taking sensible steps to prevent it from happening in the future.

The fact that states are beginning to take action is due in no small part to banker advocacy – and it's a good reminder of the importance of speaking up whenever we see the credit union

It’s wrong for credit unions to try and shoehorn self-serving pieces of legislation through Congress under the guise of promoting financial inclusion – just as it’s wrong for them to exploit their tax-advantaged status to subsidize acquisitions of taxpaying banks, pay for stadium naming rights or private jets, or open multi-million dollar headquarters.

industry pushing the boundaries of the statutory limits imposed on it by Congress.

Unfortunately, those attempts are only becoming more brazen.

Recently, the industry lobbied to create a new loophole designed to enable credit unions to greatly expand their fields of membership and business lending capacity. The House bill, which we don’t expect to advance in the Senate, was included as part of a broader package of financial inclusion measures, despite the fact that the bill contained no language to ensure that these expanded powers would be used by credit unions to serve underserved communities.

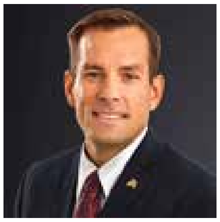
If credit unions were serious about promoting financial inclusion, they should welcome the opportunity to demonstrate their commitment to serving low- to moderate-income communities by meeting the same Community Reinvestment Act requirements banks must meet. But it’s become clear that credit unions aren’t interested in that mission – in fact, recent data has shown a general pattern of credit unions opening more branches on net in upper- and middle-income census tracts and closing more branches on net in low- to moderate-income census tracts.

It’s wrong for credit unions to try and shoehorn self-serving pieces of legislation through Congress under the guise of promoting financial inclusion – just as it’s wrong for them to exploit their tax-advantaged status to subsidize acquisitions of taxpaying banks, pay for stadium naming rights or private jets, or open multi-million dollar headquarters.

It’s encouraging that states are starting to scrutinize the credit union industry more closely. Now Congress must do the same. ■

Email Rob at nichols@aba.com

# INTRODUCING THE 2022-2023 UBA BOARD OF DIRECTORS



CHAIR
**Matt Bloye**
*Wells Fargo*
Utah Regional Banking Director
Salt Lake City

VICE CHAIR
**Andrea Moss**
*Nelnet Bank*
President & CEO
Draper

2ND VICE CHAIR
**Mark Packard**
*Central Bank*
President
Provo

IMMEDIATE PAST CHAIR
**Eric Schmutz**
*State Bank of Southern Utah*
President & CEO
Cedar City

PRESIDENT
**Howard Headlee**
*Utah Bankers Association*
President
Salt Lake City

CHAIR, REGIONAL BANK ADVISORY COUNCIL
**Brittany Westover**
*JPMorgan Chase*
Intermountain Region Manager, Middle Market
Salt Lake City

CHAIR, COMMUNITY BANK ADVISORY COUNCIL
**Brad Baldwin**
*First Utah Bank*
President & CEO
Salt Lake City

CHAIR, INDUSTRIAL BANK ADVISORY COUNCIL
**Lew Goodwin**
*Square Financial Services*
Banking Services Lead
Sandy

## BOARD MEMBERS

**Bruce Ashcroft**
*D.L. Evans Bank*
Utah Region President
Ogden

**Jan Bergeson**
*Ally Bank*
Utah Market Leader
Sandy

**Todd Boren**
*Celtic Bank*
President & COO
Salt Lake City

**George Daines**
*Cache Valley Bank*
Chairman & CEO
Logan

**Doug DeFries**
*Bank of Utah*
President & CEO
Ogden

**Frank Destra**
*UBS Bank, USA*
Vice Chairman, President & CEO

**Kristin Dittmer**
*Regions | EnerBank USA*
EVP & CFO
Salt Lake City

**Terry Grant**
*Altabank*
President & CEO
American Fork

**Ed Haidenthaller**
*Pitney Bowes Bank, Inc.*
President & CEO
Salt Lake City

**Kay Hall**
*Zions Bank*
EVP & CFO
Salt Lake City

**Dan Kennedy**
*Sallie Mae Bank*
President
Salt Lake City

**Kisty Morris**
*Morgan Stanley Bank*
Executive Director
Salt Lake City

**Mori Paulsen**
*Bank of America*
Salt Lake Market President
Salt Lake City

**Todd Stewart**
*Rock Canyon Bank*
President
Provo

**Spencer White**
*Utah Independent Bank*
President & CEO
Beaver

**Drew Yergensen**
*KeyBank*
Utah Market President
Salt Lake City

# 17TH ANNUAL WOMEN IN BANKING CONFERENCE

By Beth Parker, Director of Education, Utah Bankers Association, and Brian Comstock, Director of Communications & Marketing, Utah Bankers Association



The Utah Bankers Association hosted its 17th Annual Women in Banking Conference on April 14, 2022. With nearly 150 attendees at the Salt Lake City Marriott University Park and over 300 more joining on Zoom, it was our largest Women's Conference yet.

Everyone enjoyed a day of networking, camaraderie, education, and motivation, plus a lineup of speakers that had it all.

Dr. Susan Madsen, Founding Director of the Utah Women & Leadership Project at Utah State University, kicked off the conference by discussing why we need more women leaders and how to strengthen the impact of women and girls in the state. Phil Dean from the Kem C. Gardner Policy Institute provided an overview of the economic impacts of COVID, while Jackie Rolow from Shazam provided best practices for having tough conversations in the workplace.

Sui Lang Panoke, Senior VP, Diversity. Equity. Inclusion. at Zions Bank, hosted a panel of the majority female executive team at Nelnet Bank. Each woman discussed their path to the top, the benefits and pitfalls of being women at the helm, and what they've learned along the way.

Emotions ran high at times, as Makenna Myler – ASICS Professional Distance Runner – and Candace Rivera – CEO & Founder of Exitus – shared their personal stories of overcoming obstacles and finding a work-life balance while being role models in our community.

Makenna went viral after running a 5:25 mile while nine months pregnant and later qualified for the 10k in the Olympic Trials, an inspiration to what women can achieve when they are determined and supported.

Candace literally stepped off a plane from the war-torn streets of Ukraine to speak, recounting the sights and stories of abandoned orphans and young children walking across borders without adults in tow. She went on to empower the audience to realize their worth and know that they "belong at the table."

With an impressive collection of awards and recognitions, Viola Llewellyn – co-founder and President of Ovamba Solutions, Inc. – offered fascinating insight into how some cultures view finances and impressed upon us that our communities are made up of a myriad of potential customers from an unimaginable range of cultures and countries of origin.

"I was thoroughly impressed by each of the guests today," said one attendee. "They have given me new heights to aspire to."

We hope you will join us next year!

# THE EDULOGUE

## Bank Training in a New World

By Beth Parker, Director of Education, Utah Bankers Association

The need for learning and development in America's banks has never been more urgent than it is today. COVID-19 instigated global disruption, transformed economies, and changed the nature of work and the workforce. The need to address the critical social dynamics of diversity, equity, and inclusion while meeting the desire of younger generations for easy and immediate access to data has added an additional layer of stress and the need for training.

Organizations must look for ways to upskill and reskill their workforce to meet changing job requirements, rapidly onboard and train workers, develop leadership skills that utilize changing technologies, and manage remote workforces. In addition, banks must address the urgent social and cultural priorities of diversity, equity, and inclusion, answer the wants and needs of the younger generation, and ensure that employees keep up with changing regulatory requirements under a new administration while managing risk.

According to HR experts, employees increasingly need new skills – such as adapting to working remotely, along with communication, adaptability, and resilience – the top skills needed in the post-COVID workplace. As organizations shift to a more remote workforce, they must explore the critical competencies employees will need to collaborate digitally, provide strong, remote leadership, and solid customer service.

The pandemic has shown how technology can be used to expand access, increase flexibility, and move away from rigidity. There is now the opportunity for learning to become far more personalized, real-time, and life-long than we thought possible a few years ago.

Learning and development should be about creating the right environment and culture to enable personalized learning and learning in the flow of work.

It's also important to consider which roles are critical to the success of essential workflows. Organizations need to focus on the skills needed to drive the organization's competitive advantage and the workflows fueling that advantage. Encourage employees to develop critical skills that potentially open multiple opportunities for their career development, rather than preparing for a specific next role.

A key factor to being successful post-pandemic is transitioning from designing for efficiency to designing for resilience. To build a more responsive organization, design roles and structures around outcomes that increase agility and flexibility and formalize how processes can flex. Also, provide employees with varied, adaptive, and flexible roles to acquire cross-functional knowledge and training.

By fundamentally changing the role and focus of the learning and development function and typical growth ladders, banks can ensure they have the necessary skills to foster a life-long culture of learning that helps their employees and the organization to thrive.

The UBA and its partners provide access to exceptional instructors with years of industry insights and experience who facilitate interactive course sessions that focus on the important economic, regulatory, and competitive pressures facing the industry today, as well as management and leadership essentials, diversity in the workplace, and more.

# BANKS ARE WORRIED ABOUT A CBDC. NOT NEARLY WORRIED ENOUGH.

By Rob Blackwell, Chief Content Officer at Intrafi

When it comes to the creation of a U.S. central bank digital currency, many bankers take comfort in the conventional wisdom that any such move — if it happens at all — will take years to come to fruition. With many technical hurdles to overcome, not to mention the massive challenge in passing legislation to authorize a CBDC, they believe time is on their side.

Indeed, a recent IntraFi survey found concerns raised by banking trade groups about a possible CBDC had not yet drifted down to most institutions. Only 13% of the more than 400 executives polled rated the creation of a CBDC as a subject of concern. In contrast, more than 40% of them were more worried by the Consumer Financial Protection Bureau's crackdown on so-called "junk" fees or its pending rule to collect more data on small business loans.

This complacency is dangerous. While I understand concerns about both these CFPB initiatives, their importance pales in comparison to what the Federal Reserve Board is contemplating now. If bankers are not careful, they may find themselves on the losing end as they watch the Fed create an alternative to federally insured deposits. This would inevitably drain funding from community banks, impacting the availability of credit nationwide, and likely fuel further consolidation in the industry.

There may be other harmful impacts as well. The European Central Bank has estimated that if it implements its project to create a European CBDC, it will drain 12% to 20% of deposits out of the private-sector system, according to Randal Quarles, the former Fed vice chairman for banking supervision. Quarles warned that if that happened in the U.S., policymakers would inevitably seek to redirect some of those funds back to banks, and that would come with political strings attached.

"That's going to have to be reintermediated somehow … unless we want a contraction in the economy," he said on an episode of IntraFi's Banking with Interest podcast. That "will come with strings. It will be directed to where the politicians would like it. It will be withheld from where the politicians don't want it … All of it is unavoidable if you have a central bank digital currency that is even partially disintermediating the private sector banking system."

“In future states where other major foreign currencies are issued in CBDC form, it is prudent to consider how the potential absence or presence of a U.S. central bank digital dollar could affect the use of the dollar in global payments”

To be sure, it is true that a CBDC is not yet ready for deployment. Speaking to the House Financial Services Committee last week, Fed Vice Chairman Lael Brainard said the development of a CBDC would take at least five years to develop after it has been authorized. She cited technical issues that must be sorted out, but used that as an argument for why Congress should not debate the issue too long.

Some lawmakers also do not appear anxious for the Fed to move forward. Rep. Patrick McHenry, the top Republican on the House Financial Services Committee, told Brainard that “no one has made a compelling case” for why a central bank digital currency is needed.

But banks must not take such comments as proof that Congress will not act. Despite some lawmakers’ misgivings, Brainard and supporters of a CBDC repeatedly have raised fears that the U.S. dollar will no longer be the world’s reserve currency unless it creates its own digital dollar.

“In future states where other major foreign currencies are issued in CBDC form, it is prudent to consider how the potential absence or presence of a U.S. central bank digital dollar could affect the use of the dollar in global payments,” Brainard said.

This is precisely the kind of argument liable to win over lawmakers from both political parties.

“It is hard for us to see Republicans standing in the way if the role of the dollar in global trade is put at risk because there is a digital Euro but not a digital dollar,” wrote Jaret Seiberg, an analyst with Cowen Washington Research Group, in a recent note to clients.

Quarles raised a similar fear, noting that “national security politicians, many of them conservative Republicans,” might support a CBDC because of fears of what China and other countries are doing.

And although it may seem that lawmakers have a ways to go — and some reluctance — about pursuing a CBDC, history has taught bankers that is no guarantee action won’t happen, often much quicker than expected. Time and again, crises have pushed bills that the financial services industry thought would never pass quickly across the finish line. In August 2001, American Banker ran a story about how the prospects for the passage of an anti-money laundering bill were slim to none. By October, that bill was the law of the land. What happened to cause such a drastic turnaround? The Sept. 11 terrorist attacks.

A similar dynamic occurred not even a decade later when the creation of the CFPB went from a pie-in-the-sky proposal by a relatively obscure Harvard law professor to the agency opening its doors a few years later in 2011 (and that professor later being elected to the U.S. Senate).

While some may say these are exceptions, I would argue it has become increasingly the norm in passing controversial legislation. Those bills often sit on the backburner, stuck until a crisis vaults them to the front and spurs enactment. It is easy to imagine a scenario in which the position of the U.S. dollar appears precarious or some foreign crisis fuels doubts about whether the dollar is the world’s reserve currency. How quickly do you think lawmakers will act if that appears in jeopardy?

For his part, Quarles appears confident a CBDC won’t happen. But that’s only because he is counting on the strong opposition of the banking industry. And while the banking trade groups have taken compelling positions against a CBDC, that will not be enough if those concerns do not drift down to individual bankers at the grassroots level.

To bankers, the advent of an CBDC can’t be treated like a C- or even B-level concern. They must recognize it for the existential threat it poses — and ensure Congress hears their objections loud and clear.

# SWOT-ING AT THE CRISSCROSSING CRYPTO CRACKDOWN

By Theo Kelly, Associate General Counsel, Compliance Alliance

## INTRODUCTION

In the 14 years since blockchain technology's invention, banks have been left to compete with emerging business models and new stores of value, while operating in an uncertain vacuum of regulatory guidance. The resulting whiplash of lightning-fast innovation seemingly incapacitated the U.S. regulators of currencies, commodities, and securities.

With only crisscrossing guidance offered thus far, it may seem impossible to make a risk-based decision on whether, and to what extent, a bank should adopt blockchain technology, including cryptocurrency and web3. However, using the tried-and-true SWOT analysis, banks can establish a baseline with which to evaluate the impact the crisscrossing crypto crackdown will have on their internal and external environment.

First, a refresher on the more recent commentary and actions by banking regulators. We know that Basel will be releasing a second consultation later this year with an eye on a "global minimum prudential framework" to address risks associated with crypto assets. Their first consultation offered a risk-weighting methodology.

The U.S. Office of the Comptroller of the Currency (OCC) confirmed in July 2020 that national banks could offer crypto custodial services. However, Acting Comptroller Chu recently publicly remarked that it is time to 'reset and recalibrate'. The Federal Reserve Board (FRB) hasn't released much guidance other than to say they will be releasing guidance. The FRB did examine the pros and cons of a Central Bank Digital Currency (CBDC) but "does not favor any policy outcome." And, the U.S. Treasury has offered a risk assessment of money laundering risks in the crypto asset space. The FDIC joined the OCC and FRB in their "Crypto-Asset Policy Sprint" statement but has offered little else outside of requiring banks to notify the FDIC prior to engaging in crypto-related activities. The CFPB broadened its own enforcement authority in this space last year, formalized in March by Executive Order. And finally, legislation introduced in early June appears ready to assign rulemaking and enforcement authority to the Commodity Futures Trading Commission (CFTC), leaving the Securities Exchange Commission (SEC) any leftover crypto assets that are classified as securities.

## THE BASICS

It can be difficult to understand and analyze the risks associated with crypto assets if you don't have a grasp of some foundational terminology. Unfortunately, there's a lot of so-called 'gatekeeping' in the 'crypto community' – e.g., folks who use overly-complicated lingo to seem more tech-savvy than others. So, here are a few layperson examples to help understand the basic terms and concepts.

**What is blockchain?**

Have you ever worked on a document at the same time as another person or team? You can see others' initials moving about on the page followed by their edits to the collaborative document. And the revision history is saved so everyone can see who made what changes. Well, this is a great analogy for ‘distributed ledger technology’ (DLT). But the key difference between DLT and blockchain is that there is no single authority that maintains the data (e.g., OneDrive, Google, AWS). With blockchain, there is no centralized authority holding the data, and the data is not valid unless ‘approved’ by a program that runs on many different devices around the world.

**What is a crypto asset?**

Crypto assets are much like your everyday tangible assets: cash, contracts, artwork, investments, information, etc. However, crypto assets are entirely digital. Here, everyone knows that your unique address (known as a wallet address) owns those assets because of the transaction information stored on the blockchain. A dollar bill may be compared to a Bitcoin. A contract may be compared to a ‘Smart Contract’. A non-fungible token may be compared to your house Deed. Nearly every transaction made in your everyday life can be hosted on a blockchain.

## THE SWOT

A SWOT analysis considers your internal strengths and weaknesses and external opportunities and threats. This template offers baseline considerations to review the risks and opportunities associated with the emerging crypto regulatory scheme.

A SWOT analysis considers your internal strengths and weaknesses and external opportunities and threats.

**Strengths & Weaknesses**

- **Management:** The Board and senior managers of the bank have a clear understanding of the existing regulatory parameters surrounding crypto assets, are knowledgeable about the applicable rules to bank offerings, maintain an awareness of emerging changes, and have a system in place to update the bank’s operations quickly and efficiently to comply.

- **Internal Controls:** The bank’s internal controls are built-out and appropriately monitored and tested to manage the increased credit, liquidity, and transaction risks associated with crypto asset custody, transactions, loans, issuance, and holdings. The bank stress tests contagion risks and enhances areas of identified deficiencies. The bank has consistent margin call triggers, procedures, and communication channels, where applicable. Evaluations of crypto assets as collateral are reviewed for fair lending purposes.

- **Personnel:** Bank personnel are properly trained to understand and communicate the products and services offered to customers, are aware of and can appropriately mitigate the related risks, the number of assigned personnel is appropriate for the associated risks, and enough redundancy is built into roles to prevent any system failures that may result from termination of key personnel. Vendors undergo a risk-based due diligence review before business begins, and periodically thereafter.

- **Technology:** The hardware and software used to transact, secure, and maintain crypto assets are well-maintained and secure. External auditors are used to test and verify. The bank has a consistent and safe procedure for securing crypto collateral.

- **Insurance:** The bank maintains appropriate levels of insurance related to all facets of crypto asset products and services.

- **Products:** The bank can market and advertise crypto asset products and services in a manner consistent with existing laws and regulations, and an eye for fair lending and UDAAP risks. It has reviewed existing non-crypto products and services, identified the potential impacts, and updated those growth strategies to account for the internally driven competition.

**Opportunities & Threats**

- **Management:** The Board and senior managers of the bank can readily identify risks and opportunities presented by the lack of crypto asset laws and regulations.

*continued on page 14*


Take some time to discuss your bank's crypto posture with your internal and external stakeholders and analyze the relevant strengths, weaknesses, opportunities, and threats for your bank.

*continued from page 13*

- **Personnel:** Personnel are excited to join a bank that offers roles in the crypto asset space; however, this area may also come with increased competition for bank personnel who maintain desirable skills in a new field.

- **Technology:** Rapid advances in technology offer opportunities to quickly adopt and roll out new product offerings and services; however, the maintenance and security of aging software and hardware suffer, and investments in new technology depreciate quickly.

- **Competition:** The bank is an early adopter of crypto products and services but may now lack resources to act upon new trends, technology, and opportunities.

- **Reputation:** The bank is well-posed to trigger crisis management plans, maintains open channels of communication with relevant stakeholders, and has identified and mitigated risks associated with crypto asset environmental risk factors.

- **Legal & Compliance:** The bank's compliance management system and risk management program appropriately identify and control crypto-asset risks, including the emerging regulatory scheme, and the potential for increased litigation.

## CONCLUSION

Given what little we know about the future legal and regulatory landscape of cryptocurrency, a comprehensive and bank-specific SWOT analysis may offer some comfort in the uncertainty. Take some time to discuss your bank's crypto posture with your internal and external stakeholders and analyze the relevant strengths, weaknesses, opportunities, and threats for your bank. Continue getting involved in the discussions surrounding the proposed laws and regulations. And take this opportunity to enhance your risk management program and Compliance Management System to monitor and respond to the crypto regulatory crackdown we all know is coming. ■

Theodore Kelly serves as Associate General Counsel for Compliance Alliance. Theo's professional pursuits include competently guiding business leaders in all matters of regulatory compliance, learning and sharing ways in which blockchain technology can positively impact business operations, and writing publications related to emerging technologies in the legal, risk, and compliance spaces.

# UTAH IS THE SILICON VALLEY OF FINANCIAL SERVICES

By George Sutton, UBA Legal Counsel and Former Utah Commissioner of Financial Institutions

Former treasury and ABA official Wayne Abernathy once described Utah as the "Silicon Valley of financial services." Like its namesake, the innovation that implies has been remarkably successful. For at least the past 40 years, Utah banks of all kinds – traditional as well as the kind of branchless banks providing specialized services to national markets – have consistently ranked among the strongest and safest banks insured by the FDIC. This noteworthy success should be a model for the nation.


This has made Utah an outlier in comparison to the national trend of numbers of state banks declining to practical insignificance. In some states, the fees paid by the small number of remaining state-regulated banks are no longer adequate to support a state regulator. This is especially true in the northeast and a few states in the intermountain west. According to FDIC statistics (as of Dec. 31, 2021), Connecticut has six state banks, Maine has three, New Hampshire four, Rhode Island three, and Vermont two. The numbers are somewhat better in the states surrounding Utah, but only slightly. Arizona has nine state-chartered banks, Idaho 10, Nevada 12, and Wyoming 24. These are mostly small banks, a legacy of past policies prohibiting branches.

In contrast, Utah has 36 state-chartered banks, including many branchless banks serving nationwide markets. Serving nationwide markets makes a big difference in relative size compared to the few remaining community banks in surrounding states. The total assets of Utah's state-regulated banks are $397 billion. That ranks fifth in the nation. Only New York, California, Texas, and North Carolina rank higher. The combined total size of all the state banks in states surrounding Utah – including Colorado and Montana – is $229 billion, roughly 58% of Utah's total.

And these numbers do not include national banks based in Utah, such as Zions, American Express, Synchrony, and Ally. The combined assets of all commercial banks based in Utah are $814 billion, which is the sixth highest in the nation behind Ohio, North Carolina, Delaware, New York, and California. Not bad for a state with about 1% of the nation's population.

The FDIC also reports that Utah banks directly employ 29,913 people. Employment in other parts of the financial services industry adds significantly to that total, making it one of the largest employment sectors in the state.

Several things make this possible. A dramatic growth of banking opportunities due to new technologies, supported by competent and reputable organizers, accounts for many banks organized since the 1980s. Utah's well-educated workforce is frequently mentioned, especially by banks operating nationally that could locate anywhere and choose Utah as their base. Strong support from our Senators and Representatives in Washington and our state government has played another key role, along with the competence and expertise of our state regulators.

Utah's regulators deserve special mention. The Department of Financial Institutions and the San Francisco Regional Office of the FDIC are the first stop in organizing a new state bank in Utah. Utah's reputation as a center of innovation has drawn some premature, poorly developed or dangerous proposals. Weeding those out is as important as facilitating plans that are well developed and likely to succeed. Utah's state and federal regulators have more expertise regulating newer kinds of banks, such as branchless banks, than regulators in any other state or region. They are uniquely qualified to ensure the integrity of Utah's banks.

# 114th Annual UBA Convention

By Brian Comstock, Director of Communications & Marketing, Utah Bankers Association

More than 400 bankers, guests, and business partners converged on Sun Valley June 26-29 for the 114th Annual UBA Convention, gathering to explore the latest industry developments, reconnect with colleagues, and enjoy some fun in the sun with family and friends.

As per tradition, the festivities kicked off with registration in the Exhibit Hall on Sunday afternoon. Bankers and their families connected with over 40 exhibitors – learning about their products and services, partaking in fun games and activities, and scoring some amazing swag along the way.

Scott Anderson, President & CEO of Zions Bank, kicked off the Monday Business Session, sitting down for a fireside chat with Jon Huntsman, Jr., the former Utah Governor. He provided his unique perspective about world events, specifically in Russia and China, while also imploring the audience to be realistic about energy and the economy to find workable solutions. Natalie Gochnour, Director of the Kem C. Gardner Policy Institute at the University of Utah, provided an economic update, telling the audience that despite these trying and uncertain times, Utah is in good position to recover quickly, and bankers can really help in this environment. The morning was capped off by Brad Wilson, Speaker of the Utah House of Representatives, discussing the biggest challenges facing the state – drought, rising housing costs – and why he remains optimistic that Utah can overcome them.

Following lunch on the terrace, attendees went to different breakout sessions, addressing hot industry topics such as cryptocurrency, cybersecurity, employee mental health, developing a strategic board, regulatory issues, and the evolving future of banking.

After all that work, it was time for some play – Bingo-style! Teens got their own age category this year, alongside adults and kids, and all 3 age groups won some outstanding prizes.

Tuesday was Activities Day, with attendees enjoying a fun run and walk, white water rafting, golf, horseback riding, trap shooting, and the first ever Pickleball Tournament!

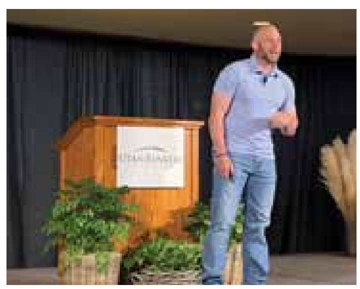
Later that evening, UBA Chair Eric Schmutz, State Bank of Southern Utah, and ABA Chair Scott Anderson, Zions Bank, were honored at the Chairman's Reception & Dinner. After dinner, Bruce Rigby of Cache Valley Bank and Linda Anderson of Wells Fargo were recognized with 40 Year Service Awards, and Craig White of Utah Independent Bank was presented the Distinguished Banker Award (see page 19). To wrap up a busy but fun-filled day, guests were entertained by the world-famous Sun Valley Ice Show and a fireworks display.

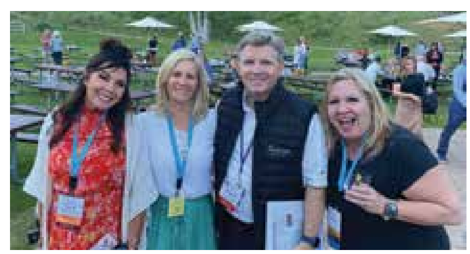
Wednesday's Business Session was again led off by Scott Anderson, this time in his role as ABA Chairman. Anderson gave an uplifting report, reminding bankers that, "We are a noble profession. We do make a difference. We are at the heart of our communities." State Treasurer Marlo Oaks also gave a passionate address, detailing the drawbacks of using ESG in capital markets. And Ben Browning, Bank of Utah, gave an Emerging Bank Leaders report, detailing the program's mission and its achievements this past year.

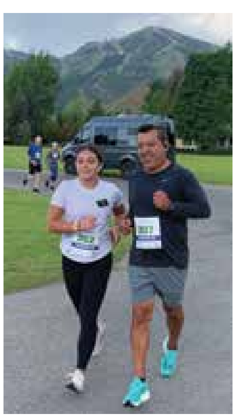
Then it was time for the annual membership meeting, in which bankers elected the 2022-23 UBA Board of Directors, including Matt Bloye – Region Bank President, Wells Fargo – as Chairman. Bloye introduced the event's final speaker – James Lawrence, also known as the Iron Cowboy. He had attendees riveted for nearly an hour, recounting his incredible feat of 50 Ironman Triathlons in 50 states in 50 days, which he later topped by completing 101 in 101 days. Lawrence shared several positive lessons from his journey, inspiring the audience to be their best selves – the perfect exclamation point to an outstanding Convention.

And though Lawrence said that "tomorrow is not guaranteed, the only important time is now," it's not too early to start making plans for the 115th Annual UBA Convention, which will be back in Sun Valley June 25-28, 2023.


Welcome
114th Annual
UBA Convention







# CRAIG WHITE NAMED 2022 DISTINGUISHED BANKER

Craig White, Chairman of the Utah Independent Bank, was recognized as the 2022 Distinguished Banker in a presentation at the 114th Annual Utah Bankers Association Convention on June 28, 2022. White is the 27th recipient of the UBA's highest honor, joining a prominent list that includes his father, Bob White, the 1993 recipient.

The Distinguished Banker Award – first presented in 1985 – is awarded periodically to a Utah banker who makes a lasting impact on his or her institution, community, and the banking industry.

After serving for over 40 years in nearly every position in the bank, Utah Independent Bank is a thriving institution, thanks to Craig's passion, commitment, kindness, hard work, and leadership. He has been a respected leader in banking, serving as Chairman of the Board of State Bank Advisors, and he was elected Chairman of the Utah Bankers Association in 2016.

Despite a busy banking career, Craig and Julie are generous with their time. He served in two bishoprics, earned a Silver Beaver in scouting, and is devoted to teaching the youth in his community. He also guided the growth of his emerging community through service with the Chamber of Commerce, as well as Beaver's Planning & Zoning Committee. ■

# FINDING NEW INTERNATIONAL BUSINESS CUSTOMERS IN YOUR MIDST

By Jay Kenney, SVP & Southwest Regional Manager, PCBB

Often, using new information can help broaden understanding. For community banks, learning there are international business customers in their own communities, but in unexpected places, may also open their eyes.

Many community bankers may not think they have international business customers in their midst. Yet, working with many of our client banks has shown us there are more out there than meets the eye. These businesses may be within your communities and could use international services, giving you more fee income and more ways to support your customers. Not only could there be existing international businesses in your neighborhood, but there are also domestic businesses planning on global expansion. A JP Morgan Chase business survey we reported on for our article, "Reaping the Rewards of SMB Optimism," notes that 14% of small and midsize businesses (SMBs) anticipate expanding beyond U.S. borders in the next three years.

### THREE PLACES TO FIND SMBS WITH INTERNATIONAL SERVICES NEEDS:

1. **Areas where there have been recent bank acquisitions.** You might not think about international businesses when you think of bank mergers and acquisitions (M&A). Yet, we have found that some SMBs have lost their relationship manager through M&A activity and could be looking for someone else to address their international needs, among others.

2. **Distribution and manufacturing SMBs.** Even if these customers have HQs and manufacturing within state boundaries, they likely have business with other countries for one or more components of their business. Plastics, metals, and machinery are popular imports from trading partners and are used to produce many local goods.

3. **Younger business owners.** Millennial and Gen Z business owners have grown up in a digital and more connected world, where global commerce is not seen as something only for big companies. Some young business owners may be leading an online business. Others may want to import sustainably sourced products, such as wool sweaters from Ecuadorian alpacas or small-batch coffee from Central America.

Once you have determined where the SMBs are that need international services, you can turn your attention to how you can reach out to them. There are multiple ways, but we have found these approaches work well for our bank customers.

- Send out targeted communications about your international services so that SMBs needing them will know to contact you. Emails are efficient and fast, while direct mailers can be more impactful, yet take more time.

- Invest in localized digital ads, such as Google ads. Those businesses needing wire services or Canadian check imaging will know who to turn to.

- Provide educational seminars on international business tips for your community. Likely, SMBs looking for a new service provider will gravitate to such sessions. Keep an ear open for those businesses that may be scrambling.

With international business customers, community banks can expand their customer base, strengthen their customer relationships, and increase their revenue through fee income. Isn't it worth a try?

Dedicated to serving the needs of community banks, PCBB's comprehensive and robust set of solutions includes cash management, international services, lending solutions, and risk management advisory services. Jay Kenney can be reached at pcbb.com or jkenney@pcbb.com.

# BANK KUDOS

## ALTABANK

### ALTABANK LAUNCHES BUSINESS ACCELERATOR PROGRAM WITH UTAH VALLEY CHAMBER

Altabank and the Utah Valley Chamber of Commerce have partnered to create a comprehensive "Business Accelerator" program to meet the needs of growing businesses in the area. The program is currently fielding interest for cohort sponsorships and executive participants and is encouraging all Chambers of Commerce in the Utah Valley region to get involved.

The proven 10-week, content-rich business strategy program will launch two sessions, one from August to November this year and another from January to April in 2023. The program will meet on Wednesdays from 9-11 am and include lunch each week.

Graduation for the Business Accelerator program is expected to be attended by local dignitaries and leaders, wishing those who completed the program the best as they take their learnings to grow their businesses even further.

## ENERBANK USA

### HOME IMPROVEMENT GROWTH BRINGS REGIONS BANK NAME TO SALT LAKE

Regions Bank's home improvement lending division, EnerBank USA, officially opened new offices on the top three floors of 650 Main in Salt Lake City. Founded in 2002, EnerBank became part of Regions in October 2021, accelerating Regions' focus on serving as the premier bank lender to homeowners. EnerBank provides point-of-sale financing options through a network of contractors nationwide, giving homeowners seamless financing solutions for home improvements ranging from planned renovations, expansions, and upgrades to emergency needs. The acquisition of EnerBank by Regions complements investments Regions has also made in its mortgage and digital home equity lending solutions.

## KEYBANK

### KEYBANK OPENS NEW BRANCH IN AMERICAN FORK


KeyBank has opened a new branch in American Fork, the first new KeyBank branch in the western half of the U.S. in more than 10 years. Construction was completed in April, and doors opened to the public on May 9.

The new, full-service branch – located at 717 West Main in American Fork – highlights KeyBank's state-of-the-art financial wellness center model, which is staffed with financial wellness consultants rather than a traditional teller line. All transactions will be completed at desks, where consultants will conduct comprehensive financial wellness reviews and discussions. Clients can also meet with specialists in mortgage, investments, business banking and more at the new location.

### KEYCORP ISSUES 2021 ENVIRONMENTAL, SOCIAL, AND GOVERNANCE REPORT

Highlighting its purpose to help clients and communities thrive, KeyCorp recently released its 2021 Environmental, Social, and Governance (ESG) Report. The report includes expanded commitments from Key to help drive climate action and increase the representation of people of color in its senior leadership ranks.

Key also announced that it surpassed the five-year goals of its National Community Benefits Plan. Through the plan, Key has provided more than $26 billion focused on economic access and equity. These investments and lending included affordable housing, home lending, small business lending,

*continued on page 22*

*continued from page 21*

and transformative philanthropy targeted toward workforce development, education, and safe, vital neighborhoods for underserved communities and populations.

Since 2017, KeyBank has invested more than $1.064 billion in the Utah Market, including the following investments through Dec. 31, 2021:

- More than $689 million in affordable housing and community development projects
- More than $219 million in small business loans to businesses that are part of low- and-moderate income communities
- More than $155 million in mortgage lending to low- and moderate-income communities in Utah
- More than $1.2 million in transformational philanthropic investments in neighborhoods in Utah

### KEYBANK ACQUIRES FINTECH GRADFIN

KeyBank has announced the acquisition of GradFin, one of the nation's leading Public Service Loan Forgiveness (PSLF) counseling services. GradFin provides students access to free consultations with student loan experts, helping them understand their options through student loan forgiveness, refinancing, or a combination of both.

Key's acquisition of GradFin will be particularly beneficial to nurses and other healthcare professionals who utilize Laurel Road, KeyBank's digital banking platform that provides tailored offerings to support the financial wellbeing of healthcare and business professionals.

## NELNET BANK

### NELNET BANK LAUNCHES NEW PRIVATE STUDENT LOAN PRODUCT

Nelnet Bank launched Nelnet Bank Private Student Loans, a new offering that gives college students a flexible option to fulfill their college funding needs and achieve their educational dreams. With dedication and collaboration, Nelnet Bank reached its goal of launching a product that offers, accepts, and funds in-school private student loans through one seamless originations portal. The timing of the launch puts the new product offering in front of students and their families in time to begin making financial preparations for the upcoming fall semester.

With a range of packages for undergraduate, graduate, MBA, law, and medical students, Nelnet Bank's program provides competitive rates, auto-debit savings, no upfront costs, and flexible repayment options to help students fill gaps in their college funding when federal loans are not enough. And Nelnet offers even more information and tools to help students make well-informed decisions and understand all their financing options, including a newly designed website and a College Major Calculator (ROI) tool that shows students how their major compares to similar fields of study in several key metrics including average debt, average income, and the average cost of living.

## STATE BANK OF SOUTHERN UTAH

### FINANCIAL LITERACY MONTH PROMOTION

State Bank of Southern Utah ran a promotion for all High Schools in Southern and Central Utah during April. Students had to complete a financial education module about budgeting through the sbsu.com website and submit a 500-word paper on why a budget is important. Upon completion, students were entered to win an Oculus 2 virtual reality set. Over 60 students from 20 different high schools participated in the promotion, and in May, two students were selected as winners and presented their prizes.

Through its financial education program, Dollars & Sense, State Bank of Southern Utah continues to reach out to High Schools to promote the importance of Financial Education.

## TAB BANK

### TAB BANK LAUNCHES NEW ONLINE AND MOBILE PLATFORM, CREATES FOUNDATION FOR ENHANCED CUSTOMER EXPERIENCE AND FUTURE CAPABILITIES

TAB Bank announced the launch of its latest online and mobile platform, ushering in a new era of customer experience and future capabilities for businesses and consumers. The new banking external interface and back-end platform create a consistent experience between mobile and online banking and gives customers complete control over their interactions and account views.

Behind the scenes, the platform enables easier connections to new products and features with integrations to third-party apps, faster creation of new accounts, and the ability to track outside funds. Completing this platform moves TAB Bank toward banking as a service model, creating new capabilities to leverage TAB Bank accounts in everyday life.

Opening a new account with TAB Bank is now simpler and easier. Customers can be up and running with a TAB Bank account in a matter of minutes. Through third-party apps, the bank can offer almost unlimited potential service offerings.

Individual customer accounts will see the new interface immediately. Business accounts will have access to these features in the future. The bank anticipates more product and service announcements over the next few months.

## U.S. BANK

### U.S. BANK'S MARLON MORALES RECOGNIZED AS MOFI 2021 UTAH LENDER OF THE YEAR

On May 11, U.S. Bank Salt Lake City business banking relationship manager Marlon Morales accepted one of MoFi's 2021 Utah Lender of the Year Awards, while U.S. Bank was named Utah Partner of the Year. MoFi is a nonprofit organization that provides financing and consulting for small business owners. They offer micro-loans and work with entrepreneurs over a one-to-three-year period to qualify for traditional loans.

"Say I have a customer who doesn't qualify for a traditional loan because the revenue or cash flow is not there. I will refer that customer to MoFi, who can help with a loan request right now, but their goal is to help get you to a point where you can qualify for a traditional loan," Morales said. The partnership began eight months ago, but Morales has already referred more than 40 business banking customers. For any customer he refers, MoFi sends them back to U.S. Bank once they've completed the program.

"Every Tuesday, I teach a class for Spanish-speaking business owners at an organization called Suazo Business Center," Morales said. "It's been a great way to bring new customers into the bank, as many of the people in the classes don't have accounts with us but decide to become a customer because of the interaction."

Morales looks forward to helping business owners as they complete MoFi's program and growing the relationship with the organization to benefit customers.

## ZIONS BANK

### ZIONS BANK, IMAGINE DRAGONS TEAM UP TO SAVE ICONIC MUSIC VENUE

Zions Bank teamed up with Imagine Dragons to save the beloved Provo music venue where Imagine Dragons and Neon Trees started.

After learning Velour Live Music Gallery was struggling during the pandemic, Imagine Dragons live-streamed a YouTube benefit concert with Neon Trees, calling on fans to donate. Zions Bank matched those donations, enough to pay off the balance on Velour's mortgage.

In May 2022, during Velour's 16th-anniversary celebration, Imagine Dragons lead vocalist Dan Reynolds and Zions Bank region president Nick Whiting presented Velour owner Corey Fox with the promissory mortgage note to the building, stamped "paid in full."

"Velour has done so much to help build a vibrant downtown and put Provo on the music map," Whiting said. "Zions Bank is proud to support the generous efforts of Imagine Dragons, Neon Trees, and so many community members to preserve this local treasure."

### PAINT-A-THON

Thirty homes across Utah and Idaho received a fresh coat of paint and a landscaping lift during Zions Bank's 30th annual Paint-a-Thon service project.

More than 1,600 local bank employees and their family members rolled up their sleeves to clean, scrape and paint the homes of elderly, disabled and veteran homeowners. In addition to painting, Zions employees provide yard clean-up, pruning, mowing, planting, and minor repairs as needed by homeowners. The cost for all paint and supplies was contributed by Zions Bank.

The average age of this year's homeowner was 75, with an average yearly income of $24,489. Projects completed during the annual week-long event were selected with the assistance of nominations from the public, state housing agencies, community organizations and local churches.

Launched in 1991, Zions Bank's Paint-a-Thon began as a volunteer project for a dozen homes along Utah's Wasatch Front. Over the three decades, Zions Bank employees have set aside summer pastimes for a week each year – volunteering in the evenings after work and on Saturday – to paint 1,221 homes throughout Idaho and Utah. Not counting the dollar value of volunteer hours through the years, the bank has donated more than $1.3 million toward beautifying homes in the two states.

# BANKERS ON THE MOVE

## ALTABANK

**JR Vera** joined Altabank as a Commercial Loan Officer in the Salt Lake City Commercial Banking Center. Vera has 19 years of commercial banking experience, working at Chase and Commercial Funding, Inc. before coming to Altabank.

**Toby Reed** joined Altabank as a Commercial Loan Officer in the Salt Lake City Commercial Banking Center. Reed comes to Altabank after spending 18 years in commercial banking at Chase.

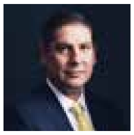
**Kristi Summers** has been appointed Residential Construction Loan Officer, working out of Altabank's North Logan branch. She has worked for Altabank since 2020.

**Russ Packer** has joined Altabank as a Loan Officer in the Draper branch. Packer spent the previous five years as a commercial banker at Wells Fargo and has 11 years of experience as a residential mortgage lender and commercial real estate broker.

**Joshua Vinecke** recently joined Altabank as a Relationship Manager & Loan Officer in Riverton. Vinecke works with a number of lending products, including SBA loans.

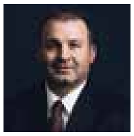
**Gina Covert** has joined Altabank as a Commercial Relationship Manager & Loan Officer in North Logan. Prior to Altabank, she spent 16 years as a Treasury Management Officer for Zions Bank.

**Matt Martin** is a new Loan Officer in the Logan branch, specializing in business loans of all types. Prior to joining Altabank, he ran a construction company in the Cache Valley.



**Mike Spinelli** is the new Saratoga Springs Branch Manager. He has 23 years of experience in capital markets and banking.

**Matthew Whetton** is a new Commercial & Construction Lending Officer with nearly 30 years of banking and lending experience.



**Adam Crapo** has joined Altabank as a Loan Officer. Based in the Alpine branch, Crapo comes to Altabank from JP Morgan Chase Bank, with 14 years of experience as a Business Loan Officer.

## BANK OF UTAH

**Brady Fosmark** has been named Chief Lending Officer and will become part of the Bank's senior management team. He will oversee commercial lending operations and loan portfolios. He will replace **Taft Meyer**, Executive Vice President and current Chief Lending Officer, who is planning on retiring in September.

**Michael Bersie** has joined Bank of Utah as a mortgage loan officer. He will be based out of the Bank's Orem branch.

## CENTRAL BANK

**Kami Campbell** has been promoted to Assistant Manager in the American Fork Office. Campbell has worked at Central Bank in various roles since 2011.

**Morgan Bingham** has joined Central Bank as a Loan Officer in their Traverse Mountain Office. Bingham has 25 years of experience in banking and lending.

**Jared Hales** recently joined Central Bank as a Loan Officer in their Spanish Fork Office.

**Colby Nelson** has been hired as a Loan Officer in the Provo Riverside Office. Nelson has 14 years of experience in banking and lending.

**Tyler Mathis** has been hired as a Loan Officer in Central Bank's Springville Office.

**Andrew Adams** has been appointed Vice President and Office Manager of the Traverse Mountain Office. Adams has worked in the banking industry for more than a decade.

**Jared Peterson** has been promoted to Vice President and Office Manager of the Lehi Main Street Office. Peterson previously served as Assistant Manager and Loan Officer in Central Bank's American Fork Office.

**Tyler Hardy** has been appointed Vice President and Office Manager of Central Bank's Provo Riverside Office. Hardy previously served as Assistant Manager and Loan Officer in Central Bank's Downtown Provo Office.

**Hannah Packard** has been promoted to Assistant Manager of the Downtown Provo Office.

**Gary Jensen** has been promoted to CRA Officer and Senior Loan Officer. Jensen has worked in banking for more than two decades, spending the last 13 years as Vice President and Office Manager of Central Bank's Provo Riverside Office.

**Brian Hulet** retired from Central Bank after 20 years of service. Hulet served in a few positions while at Central Bank, including Payson Office Manager and Traverse Mountain Office Manager for the last two years.

## STATE BANK OF SOUTHERN UTAH

State Bank of Southern Utah is happy to announce the following additions to their lending team:

**Brett Miller**
Commercial Lender
Cedar City

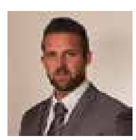
**J.D. Stevens**
Commercial Lender
Fillmore

**Sarah Mench**
Online Mortgage Lender
Cedar City

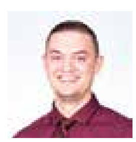
**Matthew Corry**
Construction Loan Officer
Cedar City

They have also announced the following Cedar City promotions:

**Randall Shultz** has been promoted to Central Operations Manager.



**Stephen Dennett** has been promoted to VP, Construction Loan Manager.



**Bryce Cooper** has been promoted to Mortgage Service Manager.

## TAB BANK

The Board of Directors named **Rick Bozzelli** as President, Chief Executive Officer and Director. Bozzelli has served as the Chairman of the Board of Directors at TAB Bank and TAB Holdings since January 2019. In his new position, Bozzelli aims to increase market share, bring new technology and product offerings to TAB customers, and promote profitable growth at TAB Bank.

**Bills Bahls** has joined the business development team as Vice President and Business Development Officer for the Northeastern United States. In this role, Bahls will operate from Philadelphia, with responsibility for sourcing new business opportunities throughout the Northeast by providing asset-based and factoring working capital facilities to commercial businesses with annual revenues ranging from $2 million to $150 million.

AcquisitionCX™

# Consistent, Accurate Product Recommendations at Account Opening


## Account Advisor

Powered by Ignite Sales

Engage consumers and small businesses the moment they open an account — online or in-person

### Consistently Match Account Holder Needs with Relevant Products

Matching consumers to financial products and services today is complex – it can be difficult for customer service representatives to consistently gain an understanding of each new account holder's financial situation and needs. Inaccurate recommendations caused by human error or bias lead to less-than-optimal product recommendations. When given the ability to self-select products, when opening accounts online, consumers select the most appropriate products only 30 percent of the time because they lack a deep understanding of the products and services being offered.

### Account Advisor Guided Product Selection

Now there's a way to engage consumers and small businesses and make accurate, consistent product and service recommendations that meet their unique financial needs and challenges.

Account Advisor allows financial institutions to use digital conversations to engage retail and small business customers, empower employees and ensure customers are always presented with products appropriate for them.

Account Advisor is also equipped with the IQ Analytics portal which provides advanced reporting and gives stakeholders such as sales representatives, managers and product management important insights into the efficiency and effectiveness of every customer interaction.

Research shows that using Account Advisor's guided product selection leads to 98% percent of consumers selecting the products that best fit their needs.[1]

### How Account Advisor Works

Account Advisor is programmed with customer dialogues focused on uncovering a customer's unique financial needs through a logical series of questions and then guides them to exactly the right product(s) to fulfill their needs.

Account Advisor removes inconsistency in approaches to help financial institutions discover needs at the time a new account is opened, whether online or in-branch. The result is consistent, relevant and accurate recommendations that improve:

- Multichannel communication
- Customer experience
- Customer retention
- Account growth
- Product fit
- Product utilization

Account Advisor transforms customer engagement with dynamic customer-facing digital conversation guides that consistently and accurately uncover and address consumer needs across all major lines of business at the financial institution.

By leveraging Account Advisor to supplement your online and in-branch account opening process, your financial institution can deepen relationships from the moment of account opening, provide an exceptional customer experience, boost qualified digital applications and reduce attrition:

- **Deeper relationships** – Guided conversations using Account Advisor users average two additional products/services opened[2]
- **Exceptional customer experience** – Guides deliver a 40%+ improvement in customer satisfaction as measured by JD Power and Gallup[3]
- **Online application rates** are 4x higher with guide use[4]
- **Reduced attrition** due to improved needs-matching

### Account Advisor Features and Benefits

- Institute consistent, trackable and compliant conversations and recommendations
- Better engage with consumers and be viewed as a true financial advisor
- Higher account opening completion rate
- Gain more applications online
- Consistent, complete and accurate accounts opened with visibility across the organization
- Improve sales efficiency and reduce turnover
- Ensure the right accounts are opened by the right customers
- Know the potential of relationships from the moment the first account is opened
- Acquire current client and market data to inform your marketing, product development, training, expansion and strategic decisioning
- Meet revenue growth objectives

[1] IQ Analytics by Ignite Sales, 2019
[2] Ignite Sales Research
[3] Ibid.
[4] Ibid.

# UBA ASSOCIATE

### ABA Insurance Services, Inc.
3401 Tuttle Rd., Ste. 300
Shaker Heights, OH 44122
Mike Read
(800) 274-5222
mread@abais.com
www.abais.com

### Abrigo
5444 Wade Park Blvd., Ste. 400
Raleigh, NC 27607
Candace Sundahl
(512) 279-5797
candace.sundahl@abrigo.com
www.abrigo.com

### B:Side Capital
3350 Brighton Blvd., Ste. 135
Golden, CO 80401
Lauren Kloock
(303) 657-0010
lkloock@bside.org
www.bsidecapital.org

### Backbase USA, Inc.
10 10th St. NE
Atlanta, GA 30309
Jacqueline Hickman
(208) 800-2871
jacqueline@backbase.com
www.backbase.com

### BancAlliance
4445 Willard Ave., Ste. 1100
Chevy Chase, MD 20815
Larry Rowley
(301) 232-5423
bhart@alliancepartners.com
www.bancalliance.com

### Bank Marketing Center
95 Old Stratton Chase
Atlanta, GA 30328
Neal Reynolds
(678) 528-6688
(301) 232-5423
nreynolds@bankmarketingcenter.com
www.bankmarketingcenter.com

### Bankers' Bank of the West
1099 18th St., Ste. 2700
Denver, CO 80202
Karen Maydick
(303) 291-3700
kmaydick@bbwest.com
www.bbwest.com

### BankTalentHQ
3201 W. White Oaks Dr., Ste. 400
Springfield, IL 62704
www.banktalenthq.com

### Bell Bank
2435 S. Honeysuckle Cir.
Mesa, AZ 85209
Tracy Peterson
(480) 339-8533
tpeterson@bell.bank
bell.bank

### BHG Financial
10234 W. State Rd. 84
Davie, FL 33324
Meaghan Kincaid
(866) 297-4664
mkincaid@bhg-inc.com
bhgfinancial.com

### BMA
2151 S. 3600 W.
West Valley City, UT 84119
Kevin Jones
(801) 887-0122
kevin.jones@bmabankingsystems.com
bmabankingsystems.com

### Cherrywood Enterprises, LLC
6901 Okeechobee Blvd., # D5-I2
West Palm Beach, FL 33411
Craig M. Geisler
(561) 508-7650
cgeisler@cherrywoodenterprises.com
cherrywoodenterprises.com

### Clear Core, LLC
9040 S. Rita Rd., Ste. 1270
Tucson, AZ 85747
Buck Strasser
(520) 413-5200
buck@clearcore.us
www.clearcore.info

### Compliance Alliance, Inc.
203 W. 10th St.
Austin, TX 78701
Scott Daugherty
(888) 353-3933
scott@compliancealliance.com
compliancealliance.com

### Compliance Services Group
2405 Evergreen Park Dr. SW, Ste. B4
Olympia, WA 98502
John Bley
(360) 943-7137
john.bley@complianceservicesgroup.com
complianceservicesgroup.com

### CrossCheck Compliance
810 W. Washington Blvd.
Chicago, IL 60607
Liza Warner
(312) 346-4600
lwarner@crosscheckcompliance.com
crosscheckcompliance.com

### D.A. Davidson & Co.
8 Third St. N.
Great Falls, MT 59401
Tom Hayes
(406) 268-3084
thayes@dadco.com
davidsoncompanies.com

### Discover Debit
1301 McKinney St., Ste. 2500
Houston, TX 77010
Mark Froemke
(605) 336-3409
markfroemke@discover.com
www.pulsenetwork.com

# MEMBERS

### Dorsey & Whitney, LLP
111 S. Main St., 21st Fl.
Salt Lake City, UT 84111
Steven Waterman
(801) 933-7365
waterman.steven@dorsey.com
www.dorsey.com

### Eide Bailly, LLP
5929 Fashion Point Dr., Ste. 300
Ogden, UT 84403
Gary Smith
(888) 777-2015
gsmith@eidebailly.com
www.eidebailly.com

### EVO Asset Consulting
114 S. 140 W.
Lindon, UT 84042
Madisyn Mower
(801) 953-8408
maddy@joinevo.com
www.joinevo.com

### Executech
1314 W. 11400 S.
South Jordan, UT 84095
Lee Weech
(801) 253-4541
lee.weech@executech.com
www.executech.com

### FBBS
1099 18th St., Ste. 2700
Denver, CO 80202
Duane Kerner
(720) 709-7613
dkerner@fbbsinc.com
firstbankersbanc.com

### Federal Home Loan Bank of Des Moines
909 Locust St.
Des Moines, IA 50309
Zachary Bassett
(800) 544-3452
zbassett@fhlbdm.com
www.fhlbdm.com

### FinPro, Inc.
158 Rte. 206
Gladstone, NJ 07934
Scott Polakoff
(908) 234-9398
spolakoff@finpro.us
www.finpro.us

### FORVIS
510 S. 200 W., Ste. 200
Salt Lake City, UT 84101
Bud Hollenkamp
(303) 861-4545
bud.hollenkamp@forvis.com
www.forvis.com

### FPS GOLD
1525 W. 820 N.
Provo, UT 84601
Matt DeVisser
(801) 429-2126
mattd@fps-gold.com
www.fps-gold.com

### GPS Capital Markets, Inc.
10813 S. River Front Pkwy., Ste. 400
South Jordan, UT 84095
Randal Roberts
(801) 984-1080
rroberts@gpsfx.com
www.gpsfx.com

### Holland & Hart, LLP
222 S. Main St., Ste 2200
Salt Lake City, UT 84101
Timothy Crisp
(801) 799-5800
TSCrisp@hollandhart.com
www.hollandhart.com

### IntraFi Network
1300 17th St. N., Ste. 1800
Arlington, VA 22209
Bryan Harper
(703) 292-3462
bharper@intrafi.com
www.intrafi.com

### Kadince, Inc.
2485 Grant Ave., Ste. 300
Ogden, UT 84401
Casey Elliott
(385) 350-2826
casey@kadince.com
www.kadince.com

### KeyState Captive Management, LLC
PO Box 50102
Henderson, NV 89016
Brian Amend
(702) 598-3738
bamend@key-state.com
www.key-state.com

### Kirton McConkie
50 E. S. Temple, Ste. 400
Salt Lake City, UT 84111
Gary Winger
(801) 328-3600
gwinger@kmclaw.com
www.kmclaw.com

### LERETA, LLC
1123 Park View Dr.
Covina, CA 91724
John Short
(626) 667-1506
jshort@lereta.com
lereta.com

### Moss Adams
601 W. Riverside Ave. Ste. 1800
Spokane, WA 99201
Mike Thronson
(509) 747-2600
mike.thronson@mossadams.com
www.mossadams.com

### Mountain West Small Business Finance
2595 E. 3300 S.
Salt Lake City, UT 84109
Danny Mangum
(801) 474-3232
dmangum@mwsbf.com
mwsbf.com

# UBA ASSOCIATE

### Newcleus, LLC
411 S. State St., 3rd Floor
Newtown, PA 18940
Amy Feminella
(267) 291-2130
afeminella@newcleus.com
newcleus.com

### ODP Business Solutions
9501 Amberglen Blvd., Ste. 200
Austin, TX 78729
(855) 337-6811 x12878
www.odpbusiness.com

### OnCourse Learning
PO Box 310
Waunakee, WI 53597
Dan Heldmann
dheldmann@oncourselearning.com
www.oncourselearning.com/business/financial-services/bank/

### Parsons Behle & Latimer
201 S. Main St., Ste. 1800
Salt Lake City, UT 84111
Gary E. Doctorman
(801) 532-1234
GDoctorman@parsonsbehle.com
parsonsbehle.com

### PCBB
1676 N. California Blvd., Ste. 300
Walnut Creek, CA 94596
Jay Kenney
(415) 399-5800
jkenney@pcbb.com
www.pcbb.com

### Piper Sandler Companies
1251 Avenue of the Americas, 6th Floor
New York, NY 10020
Avi Barak
(212) 466-7700
Avi.Barak@psc.com
www.pipersandler.com

### PULSE, a Discover Company
1301 McKinney St., Ste. 600
Houston, TX 77010
Alia Garces
(281) 884-8663
aliagarces@discover.com
www.pulsenetwork.com/public/discover-debit

### PwC
201 S. Main St., Ste. 900
Salt Lake City, UT 84111
Ryan Dent
(801) 534-3883
ryan.j.dent@pwc.com
www.pwc.com

### Ray Quinney & Nebeker P.C.
36 S. State St., Ste. 1400
Salt Lake City, UT 84111
Michael Mayfield
(801) 532-1500
mmayfield@rqn.com
rqn.com

### Rocky Mountain CRC
64 E. Winchester St., Ste. 230
Salt Lake City, UT 84107
David Watkins
(801) 366-0040
dwatkins@rmcrc.org
www.rmcrc.org

### RSM US LLP
515 S. Flower St., 17th Fl.
Los Angeles, CA 90071
Dan Shumovich
(213) 330-4736
dan.shumovich@rsmus.com
rsmus.com

### Scalley Reading Bates Hansen & Rasmussen
15 W. S. Temple, Ste. 600
Salt Lake City, UT 84101
Darwin Bingham
(801) 531-7870
www.scalleyreading.com

### Select Bankcard
170 S. Interstate Plz., Ste 200
Lehi, UT 84043
Pete Mudrow
(801) 791-1938
pmudrow@selectbankcard.com
www.selectbankcard.com

### Shred-It
205 Winchester Dr.
East Stroudsburg, PA 18301
Andrew Allu
(917) 528-7940
andrew.allu@stericycle.com
www.shredit.com

### Simpson & Company, CPAs
1111 E. Brickyard Rd., Ste. 112
Salt Lake City, UT 84106
Contact: Kenneth Simpson
Tel: (801) 484-5206
Email: krsimpson@simpson-co.com
www.simpson-co.com

### Snell & Wilmer, LLP
15 W. S. Temple, Ste. 1200
Salt Lake City, UT 84101
Brian Cunningham
(801) 257-1900
bcunningham@swlaw.com
www.swlaw.com

### SPARK
801 Nicollet Mall
Minneapolis, MN 55402
Erik Swenson
(612) 345-0683
erik.swenson@lendwithspark.com
lendwithspark.com

### Stephens Inc.
101 2nd St., Ste. 850
San Francisco, CA 94105
Steven Egli
(415) 548-6912
steve.egli@stephens.com
www.stephens.com

# MEMBERS

### StrategyCorps
100 Westwood Pl., Ste. 400
Brentwood, TN 37027
Emily Harrington
(707) 548-0348
emily.harrington@strategycorps.com
strategycorps.com

### The Baker Group
2975 W. Executive Pkwy., Ste. 139
Lehi, UT 84043
Brian Bates
(800) 937-2257
bbates@gobaker.com
www.GoBaker.com

### Unitas Financial Services
6543 Commerce Pkwy., Ste. M
Dublin, OH 43017
Brian Ruhe
(740) 967-1131
Brian.Ruhe@unitas360.com
www.unitas360.com

### Upgrade, Inc.
275 Battery St., Ste. 2300
San Francisco, CA 94111
Contact: Nik Vukovich
Tel: (415) 940-7688
nvukovich@upgrade.com
www.upgrade.com

### Utah Center for Neighborhood Stabilization
6880 S. 700 W., 2nd Floor
Midvale, UT 84047
Daniel J. Adams
(801) 316-9111
dan@utcns.com
www.utcns.com

### Utah Housing Corporation
2479 S. Lake Park Blvd.
Salt Lake City, UT 84120
Grant Whitaker
(801) 902-8290
gwhitaker@uthc.org
utahhousingcorp.org

### vCom
12657 Alcosta Blvd., Ste. 418
San Ramon, CA 94583
Liz Carroll
(503) 292-3640
lcarroll@vcomsolutions.com
www.vcomsolutions.com

### Vericast
15955 La Cantera Pkwy.
San Antonio, TX 78256
Michael Kelly
(801) 288-2133
Mike.Kelly@vericast.com
vericast.com

### Wasatch Business Finance
5288 S. Commerce Dr., Ste. B-228
Salt Lake City, UT 84107
Steve Carlston
(385) 799-6701
Steve@wbfcdc.com
www.wasatchcdc.com

### West Monroe Partners, LLC
1000 Wilshire Blvd., Ste. 1100
Los Angeles, CA 90017
John Jensen
(213) 631-4837
(801) 328-2011
jjensen@westmonroe.com
www.westmonroe.com

### Zions Correspondent Banking Group
310 S. Main St., Ste. 1400
Salt Lake City, UT 84101
Phillip Diederich
(801) 844-7853
phillip.diederich@zionsbancorp.com
www.zionscbg.com

# ASSOCIATE MEMBER UPDATES

**BKD is now FORVIS!**

FORVIS, LLP ranks among the nation's top 10 professional services firms. Created by the merger of equals of BKD, LLP, and Dixon Hughes Goodman, LLP (DHG), FORVIS is driven by the commitment to use their forward vision to deliver unmatched client experiences. FORVIS is built upon the strong legacies of BKD and DHG, which is reflected in a name comprised from partner initials that represent their unique focus on preparing clients for what is next. With more than 5,400 dedicated professionals who serve clients in all 50 states and around the globe, FORVIS offers comprehensive assurance, tax, advisory and wealth management services. Visit FORVIS.com for additional information.

---

## WELCOME OUR NEW ASSOCIATE MEMBERS

### Abrigo

Abrigo enables more than 2,300 U.S. financial institutions to support their communities through technology and advisory services that grow loans and deposits and optimize risk. Abrigo's platform centralizes the institution's data, creates a digital user experience, and delivers efficiency for scale and profitable growth. Abrigo's team of industry experts can give your institution guidance needed to stay on the path toward increased profitability.

Learn more at abrigo.com, or email Candace Sundahl at candace.sundahl@abrigo.com.

### B:Side Capital

B:Side Capital is shaking up small business lending in the Rocky Mountain Region, remaining steadfast in their 30+ year mission to foster the economic growth of diverse small businesses. As a Certified Development Company and Lender Service Provider, B:Side Capital is committed to serving its lending partners through Small Business Administration 504 and 7(a) loans. They care about creating access to responsible capital for small businesses and being a resource for banks and entrepreneurs alike. Since 1990, they've funded nearly 4,100 small business loans helping to create over 30,000 jobs; injecting $4.98 billion into the economy.

Learn more at www.bsidecapital.org, or email Lauren Kloock at lkloock@bside.org.

### Wasatch Business Finance

Wasatch Business Finance is a Certified Development Company, chartered by the SBA to facilitate SBA 504 lending. Built by bankers for bankers – service and confidentiality are what set them apart.

Visit wasatchcdc.com for more information, or contact Steve Carlston at Steve@wbfcdc.com.

# THE BENEFITS OF SELLING YOUR CHARGED-OFF LOAN PORTFOLIOS

Like many financial institutions nationwide, you probably have a considerable amount of charged-off loans from the last four years. Also, like many financial institutions, you might not know that your charged-off loans have value to a debt-buying company.

Charged off loans are the dirty words in modern banking. You have lent funds to a customer, and it went bad. It is most likely due to a loss of job, divorce, injury, or in modern times, COVID. When this happens on a large scale, you are left with considerable loss. Now, we are sharing a great secret in the charged-off world that you might not know exists, selling your charged-off loan portfolios.

Cherrywood Enterprises is a debt buying entity that has been in that space for over nine years, with their CEO Craig Geisler having spent over 14 years in the debt buying arena.

Cherrywood Enterprises has worked with banks, credit unions, auto lenders, and commercial lenders nationwide, helping these entities understand the value of their charged-off portfolios and infusing capital back into these financial sectors.

What are the benefits of selling your charged-off loan portfolios?

- Create much-needed liquidity through a cash infusion from the sale of the distressed debt
- Bolster the bottom line now versus waiting months or years for collection efforts to take effect
- Reduce ongoing costs associated with internal collections as well as management of third-party agencies
- Lessen or eliminate reliance on third-party collection agencies
- Eliminate months or years of waiting without a guarantee of a return — a major benefit when factoring in the time value of money
- Protect your brand — this is typically the effect of a debt buyer owning the purchased accounts outright, having a longer time horizon, and, therefore, a strong incentive to work professionally with debtors and obtain repeat business from you

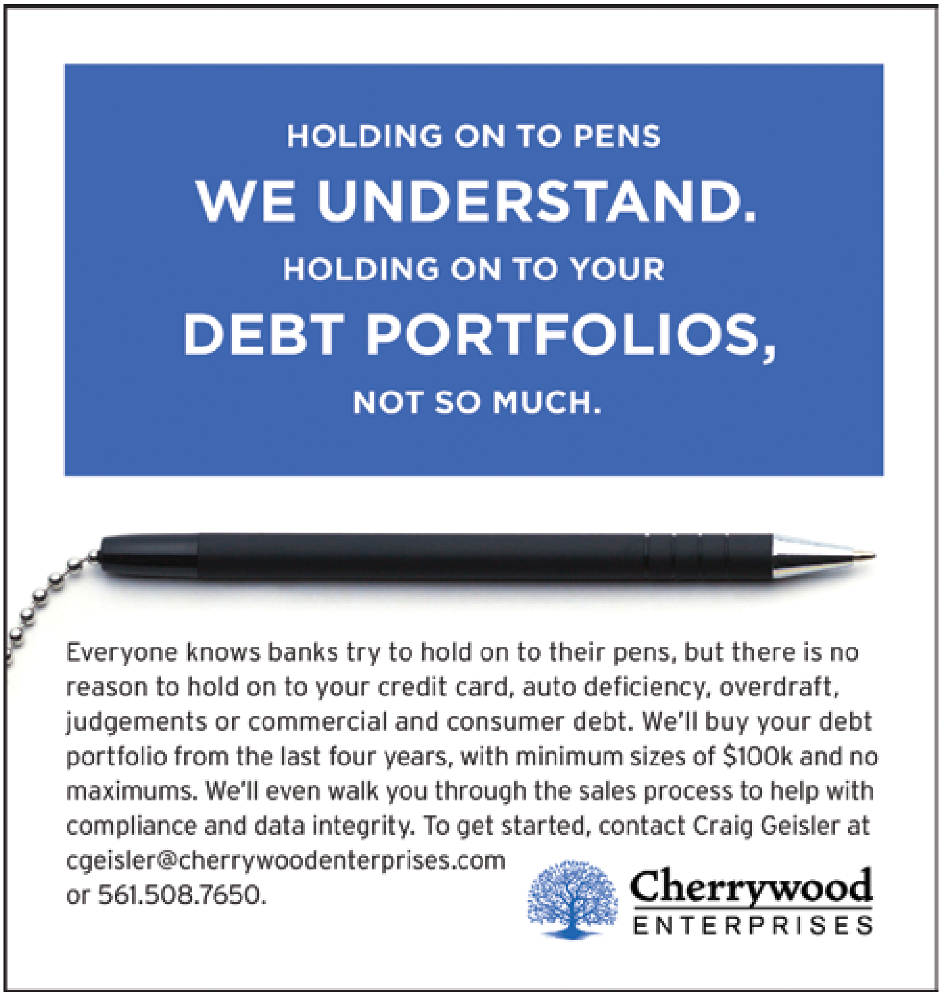
The process of selling your charged-off debt portfolios is simple: we first send you a Mutual NDA to protect both parties' proprietary information. We also send you a blank Excel Spreadsheet with the headers of information we would need to review your portfolio, and in addition, we would need the sample docs for one account. It takes us approximately three to five business days to review these docs, and we will come back with an offer for your portfolio.

Once we agree on a price, we send you a Purchase and Sale Agreement for both parties to sign, and within 24 hours of receiving that signed agreement, funds are wired directly into your account. Once you have the funds, we will need the backup docs for all of the accounts sold, and we are on our way.
It's that simple!

No further action is required on those accounts that you have sold! Plus, this is a program that you can do on a monthly, bi-monthly, quarterly, or annual basis! It's just a matter of changing dates and numbers!

**To get started, feel free to call us at (561) 508-7650 or email our CEO directly at cgeisler@cherrywoodenterprises.com.**

**Come and see how easy and beneficial selling your charged-off loan portfolios can be!**




# ONE LAST THING ...

Did you know that you can enjoy your association news anytime, anywhere?

The new online article build-outs allow you to:

- Stay up to date with the latest association news
- Share your favorite articles to social channels
- Email articles to friends or colleagues

There is still a flipping book for those of you who prefer swiping and a downloadable PDF.

## Check it out!

Scan the QR code or visit:
utah-banker.thenewslinkgroup.org

# THE UTAH COURT OF APPEALS CLARIFIES THE DUTIES A BANK OWES TO CUSTOMERS AND NON-CUSTOMERS

By Brent Wride, Shareholder at Ray Quinney & Nebeker

The American writer Greg Bear famously quipped, "It is the bullets you don't hear that gets you." Banks and other institutions are usually adept at avoiding liabilities when they properly understand their legal duties. But when legal duties are unclear or misapprehended, troubles can arise. So, what duties does a bank owe to its customers? And what, if any, duties does it owe to a non-customer?

## TORT LAW VS. CONTRACT LAW

Except for the duties created by statute, the law recognizes two main types of legal duties. The first type is created by tort law, which protects people and their property from physical harm by imposing a duty of reasonable care. For example, a bank must ensure that its lobby is free of tripping hazards. A party who is injured by a bank's negligence may suffer significant harm and may receive significant compensation from a negligent party.

The second type of duty recognized by the law is based on contracts or agreements. In this instance, recoverable damages are more limited. Here the law protects expectancy interests. It merely ensures that parties obtain the benefit of their bargains, and damages are therefore much more limited.

Many of the most interesting questions — and most of the bullets that might surprise a bank — arise at the boundary between tort law and contract law. Because obtainable damages under tort theories can often be much higher than those obtained under contract theories, plaintiffs frequently seek

*continued on page 36*

> First, in the absence of a statute, a bank's duties to its customers are governed by the agreement between the parties and not by tort law. Second, a bank does not owe duties to non-customers (other than the duties that all institutions owe to protect life and property).

*continued from page 35*

to find tort theories to use in their claims against financial institutions. The Utah Court of Appeals recently issued an opinion that clarifies the boundary between tort claims and contract-based claims against a bank.

## THE ECONOMIC LOSS RULE

An important legal theory that helps define the boundary between tort law and contract law is known as the economic loss doctrine. This doctrine, which has long been applied by Utah courts, prevents the recovery of economic damages under a tort theory when a contract covers the subject matter of the dispute between the parties. In other words, if a party to a contract does not experience an injury to the party's person or property (but only a loss of money), the injured party may recover only what is contemplated by the contract. However, there is an important exception to this rule. If a bank owes a duty that is *independent* of the contract, then the injured party may still be able to obtain tort damages, including punitive damages. For obvious reasons, this exception is the focus of considerable litigation.

## THE GENERAL DUTY OF CARE DOES NOT AVOID APPLICATION OF THE ECONOMIC LOSS DOCTRINE.

In 1988, the Utah Supreme Court issued an opinion in the case of *Arrow Industries, Inc. v. Zions First National Bank,* 767 P.2d 935 (Utah 1988). In that case, the court stated that there is a "general duty owed by all banks to act in good faith and exercise ordinary care in handling all banking transactions." Id. at 937. Relying on this language, a party recently sued two banks, arguing that the banks should have prevented theft from the plaintiff. In the case of *Legal Tender Services, PLLC v. Bank of American Fork,* 2022 WL 570666 (Utah Ct. App., Feb. 25, 2022), the Utah Court of Appeals answered the question of whether a bank owes a general duty of care, such that the economic loss rule does not apply. The court clarified that the general duty of care does not apply to "every transaction that a bank is ever involved in." *Id.* at ¶ 56. The court noted that the *Arrow Industries* case involved a statutory duty and that the language in *Arrow Industries* does not apply in the absence of a duty imposed by statute. The court clearly stated that because the plaintiff's claim against the Bank of American Fork was governed by a contract, the plaintiff's negligence claim was barred by the economic loss rule.

The importance of the *Legal Tender Services* case to banks is this: In the absence of a statute, there is no "general" duty of care that allows a customer to sue a bank for negligence in a dispute covered by a contract.

But what about parties who are not customers? The *Legal Tender Services* case answers this question as well.

## A BANK DOES NOT OWE A DUTY OF CARE TO NON-CUSTOMERS

In *Legal Tender Services,* the court of appeals reaffirmed that, in the absence of a customer relationship or contractual relationship, banks do not owe a duty to non-customers. The court held that because the plaintiff was not a customer of one of the banks in the case, that particular bank did not owe the plaintiff any tort-based duty.

## SUMMARY

Plaintiffs are likely to continue to push the boundary between tort claims and contract claims, but the latest pronouncement of the Utah appellate courts is good news for banks. First, in the absence of a statute, a bank's duties to its customers are governed by the agreement between the parties and not by tort law. Second, a bank does not owe duties to non-customers (other than the duties that all institutions owe to protect life and property). ■

For over twenty years, Mr. Wride has been helping clients with litigation and insolvency-related problems. He has extensive experience in the areas of commercial litigation and bankruptcy, representing creditors in large bankruptcy cases and lawsuits. He also has significant experience with insurance company insolvencies. In addition, he has represented many clients in large appeals before numerous appellate courts, including the Utah Supreme Court, various federal circuit courts of appeal, and the United States Supreme Court.

UTAH BANKER

Utah Bankers Association
175 S Main Street, Ste 1420
Salt Lake City, UT 84111

PRSRT STD
U.S. POSTAGE
PAID
SALT LAKE CITY, UT
PERMIT NO. 508

This magazine is designed and published by The newsLINK Group, LLC | 1.855.747.4003