

## First State Bank of Bourbon

Founded: 1884

Location: Northwest corner of Main and Center Streets, Bourbon (1884–1902); 101 West Center Street (1902– )

James H. Matchett, the founder of the Exchange Bank, came to Bourbon in 1869. He, like so many other adventurers in the Midwest in the nineteenth century, was an entrepreneur. At age thirty-four, tired of being a merchant, he decided to open a bank. In April 1884 he took out an advertisement in the *Bourbon Democrat*, announcing a “Grand Closing Out Sale” of his general merchandise business. At first the bank he established was a privately held institution, under neither a federal nor a state charter.

He decided against totally closing out the general store, however, and instead attached the Exchange Bank to his other businesses, which also included a realty department. The bank did not move from its location on the northwest corner of Main and Center Streets until 2 March 1902, when it accepted a state charter and changed its name to the First State Bank.

When the bank incorporated, Matchett remained the largest shareholder, but Hiram P. Bowman was elected president of the new bank, serving for six years. By February 1903 the bank had accumulated more than \$200,000 in assets. Under Bowman the bank paid a yearly dividend of 8 percent. Bowman was born in Kosciusko County and married Matchett’s sister, Alice, several years before the bank incorporated. Like Matchett, Bowman was an entrepreneur and master salesman who had purchased an interest in his father’s drugstore before the age of fifteen. He came to Bourbon in 1889, at age thirty-nine, to help his brother-in-law with his private bank.

Charles H. Neu served as president of the bank after Bowman, remaining in the post until 1922. Neu was a native of New York and the son of a German immigrant. At age twenty-four he traveled inland to Marshall County to accept a position as a clerk in a hardware store. After five years of service he started his own hardware company, retiring from it in 1907. Around the turn of the century he was working in three different fields: he owned a 240-acre farm, was vice president of the bank, and was a partner in a lumber business. After becoming president he enlarged the bank's space so that it occupied the entire first floor of the building.

Melvin M. Beck took over the post of president in 1923, leaving it to Elmer E. Myers in 1933. During Myers's tenure the bank was robbed. On 25 May 1925 a gang of thieves captured the town marshal and locked him up with the staff of the bakery, next door to the bank, until they were able to blow the safe door and drive out of town. Fortunately no one was harmed, but the gang was never apprehended and the stolen money was never recovered.

During the Great Depression leadership instability forced Matchett to again assume the top post in the bank in 1936, relinquishing it only on his deathbed three years later. Ralph Mason, a cashier at the bank from 1935 until 1939, assumed the presidency on the cusp of the depression and the beginning of World War II. He provided stability in leadership and vision at a crucial time for the financial institution. During his time as president assets rose from around \$1 million to almost \$4 million in the mid-1950s. He enlarged and remodeled the office and basement, allowing for meeting rooms, which were free to the public whether they were conducting business with the bank or not.

By the early 1960s Mason had groomed his son, Lewis, to take over as president while he assumed the office of chairman of the board. Lewis remained president of the small-town bank until mid-1998. Like his father he remodeled the building and provided a steady hand at the top post, but he was not alone. Several non-Mason family employees helped the bank grow and prosper. E. Stanley Hennon and Glenn Lemler aided the various Mason family members, who held the largest amount of stock in the bank, make the financial institution a success.

Lemler was a native of Bourbon who attended Manchester College before joining the army during World War II. After serving as a lieutenant in the Corps of Engineers he came back to Bourbon to work at the bank and was sent by the institution to the University of Wisconsin School of Banking. Throughout his more than forty years of service he worked as a clerk, rising to a cashier's position before gaining the post of vice president and finally chairman of the board. He retired as chairman of the board in 1985.

During Lewis Mason's tenure the bank grew, slowly at first. In 1961 deposits at the bank reached \$4.4 million, while undivided profits and reserves equaled \$18,711.38. By 1971 total assets had grown to a little more than \$13 million, while undivided profits and reserves reached \$282,297. A decade later total assets topped \$34 million, and undivided profits stood at almost \$1.5 million. Later in the decade the bank opened a branch bank on East Center Street in Bourbon.

The Mason family has dominated the bank since the 1950s. In the mid-1990s five of the six members of the board of directors had the last name of Mason. Lewis Mason served as president for more than thirty years and as both president and chairman of the board from 1985 through mid-1998. Success has followed the Masons' control of the

institution. By 1993 total assets topped \$71 million, while undivided profits equaled more than \$9.3 million.

In 1998 success continued to shine on the independent, state-chartered bank. Total assets topped \$77 million after the first quarter, with undivided profits standing at \$14.3 million. The bank offered a full range of accounts and loans and in this age of giant mergers has yet to even create a holding company that would allow it to expand across the Marshall County border, forcing it to focus on Bourbon and the surrounding area. The bank's leaders have endeavored to keep up with the changes in technology, installing an ATM machine in its East Center Street Branch in the late 1990s. Lewis's son, Ralph Mason, assumed the presidency in August 1998, the third Mason family member to be named to that office. He had been active in the bank's management since at least the early 1990s.