

Scott County State Bank

Founded: 1890

Location: Corner of South Main Street and West Wardell Street, Scottsburg (1890–1940); 2 East McClain Avenue (1940–62); 125 West McClain Avenue (1962–)

On 22 April 1890 George B. Tweedy, John I. Morris, and Thomas C. Batchelor pooled \$12,000 to start the Scott County Bank in Scottsburg. The partners decided that Tweedy would run the institution's day-to-day affairs and would be paid \$800 a year for his work as the cashier. Morris served as the bank's first president. The financial concern prospered, and the partners decided to make the business a public venture in November 1890, drawing up articles of association and selling \$25,000 worth of stock.

Along with the founders, Richard W. Montgomery of Austin bought a large share of the bank; he was then elected its president. A decade later the capital stock was increased to \$50,000. Mark Storen became the president of the institution around the turn of the twentieth century. Under Storen the bank was officially named the Scott County State Bank.

The 1930s and 1940s proved to be a trying, as well as exciting, era for the concern. On the eve of the Great Depression the bank had amassed more than \$337,000 in total assets. The financial institution was not incorporated until 1934, but careful management decisions allowed the bank to weather the storms of the depression. The Scottsburg State Bank was not as fortunate, however, and in 1939 the Scott County State Bank acquired much of the former bank's assets from its liquidation by the federal government. In 1940 the main offices of the Scott County State Bank moved to the corner of East McClain Avenue and North Main Street. During that same year the bank became

a member of the Federal Reserve System. By the end of the decade Edward B. Johnson, the president of the bank since the 1930s, could boast to the board of directors of deposits totaling almost \$3.6 million.

Johnson continued to guide the fortunes of the Scott County State Bank until the mid-1960s. During his tenure assets steadily rose, reaching more than \$9.4 million in 1966. Throughout his time as president the profitability of the bank slipped only a couple of times. In 1960–61 undivided profits and reserves shrank to \$50,761, but they rose again the next year. To keep up with new trends and demands made upon the bank, directors constructed in 1962 a new building on West McClain Avenue that allowed for more modern services. In the last years of Johnson's presidency the bank began an aggressive loan policy, doubling the amount of money lent to home owners and others from around \$2 million in 1960 to more than \$4 million in 1965.

In 1967 Johnson was elevated to chairman of the board of directors, and Harold E. Jackson became the bank's president. Under Jackson, Friday hours at the bank were extended to allow workers to deposit their checks and complete other financial transactions on their way home from work. As the town of Scottsburg grew (from a population of 3,800 in 1965 to 4,791 in 1971), so too did the bank's assets under Jackson. Total assets reached more than \$31 million in 1979, Jackson's last year as president.

Wallace N. Zollman, an employee with the bank since 1964, became the acting president in 1980, serving until Verle G. Percy rose to the office in 1981. By the early 1980s the bank had grown to include a branch office within Scottsburg. Under Percy, who served until 1991, total assets at the financial institution continued an upward swing, breaking the \$68 million mark in 1990. Percy directed the bank to begin offering

Saturday hours, in part to compete with its chief rival, First National, which had always provided a half-day of service on Saturday. He was also at the helm when the bank formed a one-bank holding company, Scottsburg Bancshares, to take advantage of the new federal and state deregulation laws passed in the late 1970s and early 1980s.

The bank restructured its administrative positions in 1991 when Steve Hauer was named chief executive officer and Richard Applegate was handed the position of president. Under Hauer and Applegate the experiment with Saturday hours was terminated, and the financial institution began offering credit and debit cards. By 1993 the firm was again restructured and the position of chief executive officer eliminated. Applegate became the chairman of the board while Hauer claimed the presidency. Throughout the early 1990s, while all these changes were occurring in the bank's administration, assets continued to rise, topping \$73 million by 1993, and profits almost doubled between 1991 and 1993. From 1992 to 1999 the number of employees at the bank rose from thirty-nine to fifty. In 1999 the Scott County State Bank's total assets stood at more than \$92 million. It continued to be locally owned, a fact it made clear in its advertising. Its main office and three branch facilities offered a wide range of banking services.