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# Yankton Takes It To The Bank

The Banking Industry Was – And Still Is – A Key Component Of Yankton's Story

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The story of Yankton's banking history is a complicated one. New starts, mergers, consolidations and failures have all led to the banking landscape present in the city today.

In the early 1860s, Yankton had no financial institution of any kind. In fact, Dakota's first governor, William Jayne, felt the area should be warned of such businesses, stating in his opening message to the first legislature in 1862:

"I take this occasion to warn you against falling into the snares of bank men ... cunning men, who, unwilling to labor, have endeavored by plausible schemes of finance to put afloat worthless bank paper which soon depreciates and robs the laboring men of the country."

"I hope you will turn a deaf ear to all their applications for bank charters, and that you will, to the best of your ability, secure our citizens against the evils of pernicious paper currency."

However, as the town grew and young entrepreneurs started various businesses, the need for a local depository grew as well.

In 1865, Sioux City merchant Lycurgus D. Parmer established a branch store in Yankton and sent his son Mark to be resident operator. Mark soon acquired the agencies of several insurance companies and filed a claim west of Yankton, selling it in 1869. He used the money from the land sale to start a private bank.

The bank was unchartered and lacked official status, and eventually closed in 1878. The unexpected collapse cost many citizens their savings.

Mark and his father were also original stockholders in Moses Armstrong's First National Bank of Yankton, which opened in 1872. Armstrong, the Territory's first Delegate to Congress, had acquired Charter No. 2068 from the U.S. Controller of Currency.

After that, the history of Yankton's banks becomes convoluted.

The origins of the present-day First Dakota National Bank can actually be traced back to Armstrong's acquisition of Charter No. 2068.

In 1874, the two principals of the Missouri River Transportation Company, Capt. James C. McVay and Commodore Sanford B. Coulson, acquired control of Armstrong's bank, with McVay serving as president. In 1905, McVay died and was succeeded by his brother, who died two years later.

Following the McVays' deaths, William E. Heaton from Wichita, Kan., used money he had inherited to buy controlling interest in First National. In 1909, he absorbed Yankton National Bank, which had been chartered in 1891. He also organized the First Loan and Trust Company.

A second national bank entered the picture when Fred Chester Danforth of Parker and several local men acquired Charter No. 9445 and established the Dakota National Bank.

The two banks quietly competed with each other for many years.

In 1929, the stock market crashed, eventually placing pressure on the banks in Yankton. In 1931, the two national banks consolidated to become the First Dakota National Bank & Trust Company of Yankton, keeping the older charter acquired in 1872.

In 1940, the bank dropped the "& Trust Company of Yankton." Forty-eight years later, it combined with the 98-year-old American State Bank. The bank later grew larger through the acquisition of numerous small branches.

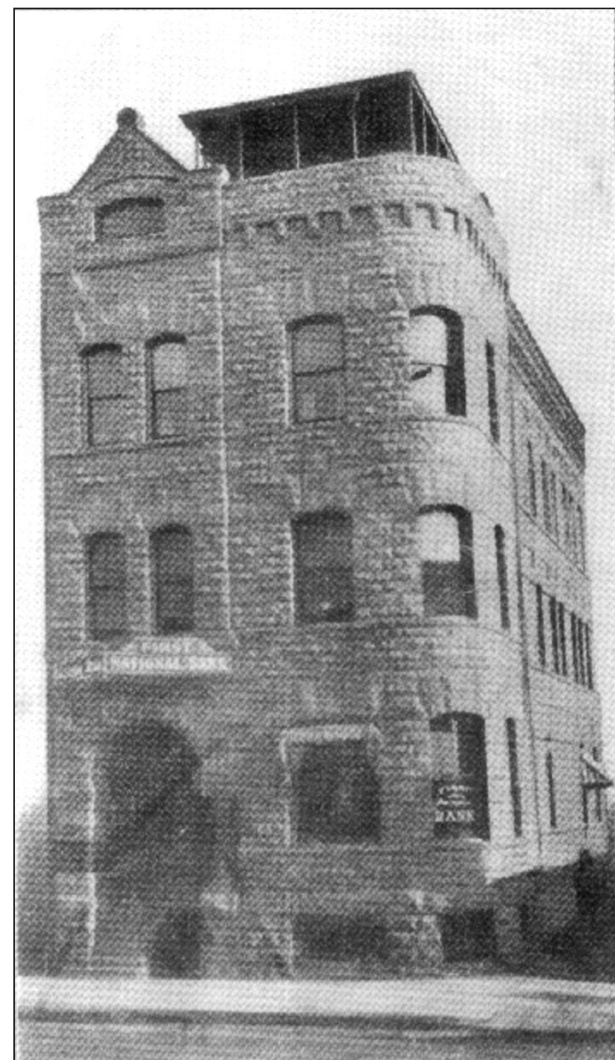
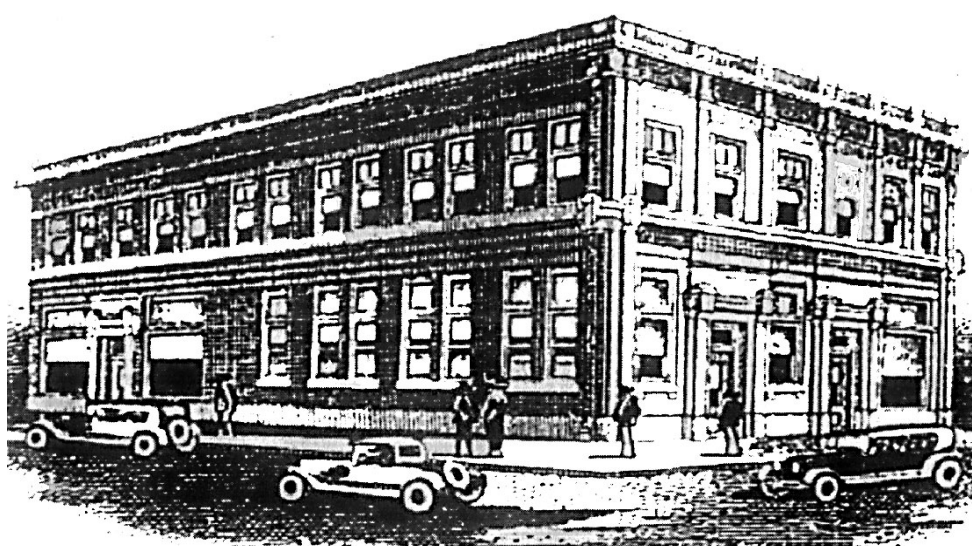
Larry Ness, CEO and Chairman of the Board of First Dakota National Bank, said much of the bank's success has come from "being at the right place at the right time."

"We've done pretty good," he said. "When I came here 28 years ago, we were at 40 million in total assets, and now we're at over 800 million. We've also gone from about 33 employees to around 275."

Ness added that a lot of changes have taken place since



ABOVE and LEFT: Yankton's First National Bank, which was Yankton's first chartered financial institution. Three years after it was founded, it moved into the building (shown above) at the corner of Third and Walnut. RIGHT: First Dakota National Bank once operated in this structure on Third St., which still stands today. BELOW: An etching depicting the Farmers and Merchants State Bank, located at the corner of Third and Walnut. (P&D archive images; from the book "Yankton: The Way It Was!" by Bob Karolevitz)



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