

State Bank of Lehi

By Richard Van Wagoner

In September 1906, to counter the merging of the Lehi Commercial and Savings Bank with American Fork interests, W. S. Chipman (cashier of the Bank of American Fork) announced that his firm was establishing a branch office in Lehi. In October, he leased the compartment next door west from the post office in the Ross Block (later Laney's store). On November 1906, the bank opened for business with Chipman as cashier.

In early 1911, when the Utah Banking Company went into the hands of a receiver, a movement started to incorporate the Bank of Lehi. James Chipman, Sr. and W. S. Chipman purchased \$10,000 of the stock and asked Lehi boosters to buy the remaining \$15,000 worth. Lehi men who purchased stock were Phineas Allred, A. B. Anderson, J. E. Bone, Joseph S. Broadbent, William Carson, G. N. Child, J.E. Cotter, John Devey, Morgan Evans, William S. Evans, Andrew Fjeld, James H. Gardner, Dr. W. T. Hasler, Charles Herron, Dr. Horace Holbrook, Charles Ohran, W. E. Racker, S. W. Ross, A. O. Slade, Edward Southwick and John Stoker.

The charter for the new State Bank of Lehi was issued in late April of 1911. Founding officers were James Chipman, president; James H. Gardner, vice-president; and W. S. Chipman, cashier. The bank remained in the Ross Block for another eight years.

On Saturday morning, 14 November 1914, when cashier Chipman and his assistant George A. Gates tried to open the bank's safe, the time-lock malfunctioned and they could not get any money out. They expected thousands of dollars of sugar beet checks to be cashed during the day, so quickly ordered several "sacks of gold and silver" to be shipped on the first Orem Interurban train from Salt Lake.

In the meantime, local experts tried to open the safe. When they all failed, the bank entered into a contract with three Salt Lake safecrackers. The yemen worked sixteen hours a day for six days, exhausting hundreds of drill bits trying to bore a hole through three inches of super-hardened steel. EVen after they finally punched through, much effort was required to hook a wire under the tumblers to position them for opening. A huge sigh of relief was heard when the heavy safe door finally swung open.

In 1919, the State bank of Lehi moved to doors west into the former Lehi drug Store building at 98 West Main. A report in the 20 January, 1923 Lehi Sun listed bank resources of \$321, 985.75. Bank directors that year were James Chipman, William E. Racker, James H. Gardner, Edward Southwick, William S. Evans, John F. Bradshaw, and J.E. Cotter. James Chipman died in 1928 and W. Chipman was elected bank president; Emmett L. Chipman became cashier. To accommodate the bank's continuous growth, a new addition was built on to the north of the building in August 1930. This new area comprised a directors room, furnace room and rest rooms.

When two American Fork banks and one in Midvale failed in mid-January 1932, the directors of the State bank of Lehi closed their doors to protect the institution from a bank run. Bank President W. S. Chipman declared that although the bank's papers and affairs were in a "perfectly safe condition," meeting "every requirement of the state banking regulation," the bank would remain closed until "public confidence is restored." The re-opening took place on 28 July and the bank has never had to close its doors since that time.

"Now Who's Afraid of The Big Bad Wolf?" advertised the State Bank of Lehi in the 4 January 1934, Lehi Free press. The institution had just received a Western Union telegram from Washington D.C. informing them that they had been awarded membership in the Federal Deposit Insurance Fund. Restored public confidence in the bank remained strong and is continued to prosper. In 1939, H. W. Jacobs and Junius A. West purchased the Chipman interest. When

cashier Emmett L Chipman died in 1946, he was succeeded by Calvin H. Swenson.

On 13 January, cashier Swenson reported to the stockholders that the State Bank of Lehi was in its best financial position ever, with undivided profit and reserved of \$37,749.19. During that meeting bank president West announced that the institution had made application to the Federal Deposit Insurance Corporation in Washington to build a new bank building. Approval was granted the following month.

The \$8,000 building was erected immediately across the street south at 99 West Main (where the original New West School had been). Floor space in the new bank was three thousand square feet. The one and one-half story lobby featured on the west wall, three large murals of historic Lehi painted by artist William M Johnson. In addition to the latest banking design, the building featured a drive-up window and night depository facilities.

In November 1965, a remodeling and expansion program began at the bank. The new facility, dedicated on 25 February 1966, included an expanded and improved teller and loan processing department, a covered vestibule and walk-up window, two new drive-up windows, enlarged and improved executive offices, wall-to-wall carpeting, new bookkeeping facilities, and new heating and air-conditioning equipment. A 5,600 square foot addition was built on the south end in 1980-81. This two-story structure houses the loan, credit, bookkeeping and audit departments, offices for the vice-president and loan officer, and a board room. The second story office space in 1989 is leased to Kenneth A. Rushton and his brother Ronald J. Rushton, who owns a bookkeeping and tax return business.

In May 1982, the State Bank of Lehi merged with the other banks to form Deseret Bancorporation. The 1989 officers of that institution include Kay L Jacobs, chairman, Hal J. Allen, president; Harley W. Jacobs and Alvin G. Schow, executive vice-presidents; Craig W. Forsyth and Robert W. Aland, senior vice-presidents; Craig W. Forsyth and Robert W. Aland, senior vice-presidents.

The Lehi branch officers include Stephen S. Swenson, vice-president manager; Jeff Ivins, assistant vice president; Rick Norman, loan officer; Carolyn Player, cashier.

State Bank of Lehi became Deseret Bank.