Star Bank, National Association, Eastern Indiana

Founded: 1872

Location: Northeast corner of Eighth and Main Streets (1872–74); northwest corner of Eighth and Main Streets (1874–1956); northeast corner of Eighth and Main Streets (1956–75); 800 Promenade (1975–)

Star Bank was organized as the Second National Bank of Richmond in 1872 and proved immediately successful. At the end of its first year the bank had assets of \$212,317. By 1881 the bank could report profits and surpluses of \$50,000. Because the bank's officers wanted the financial institution to be a partner in the growth of the community, after 1884 and until the early twentieth century, the bank was controlled by the officers of one of the largest manufacturing concerns in Wayne County.

Interestingly, the first several presidents were related and attended the same Presbyterian church. Andrew Scott, the driving force behind the creation of the bank, was involved in many business enterprises including a wholesale grocery company and the First National Bank of Richmond. Scott wanted the bank to be a good neighbor in the community. In 1884, after the First National Bank failed, leaving the governments without money for schools, poor relief, or other activities, he arranged for the Second National to save the city and county from insolvency. The good deed began a tradition of community service that remained long after Scott retired in 1895.

William Scott was the bank's first vice president, second president, and a successful businessman in other endeavors. He was one of the four founding partners in Gaar, Scott & Company, a manufacturing concern that made threshers, boilers, and steam engines. Before 1884 Garr, Scott executives had controlling interest in the bank, and the company helped the bank through the economic depressions of the late nineteenth century. During the 1870s and 1880s the company's strength allowed the bank to lend money to other financial institutions, staving off several small panics in the area.

John M. Gaar became president of the bank in 1897. He was also one of the four original partners in Gaar, Scott & Company. In 1899 he was not only president of the Second National Bank but also served in the same capacity at Gaar, Scott, at a lawn mower manufacturing plant, and at the Richmond Natural Gas Company.

After the turn of the century, John B. Dougan took over the reigns from his father-in-law. He was appointed vice president by John Gaar in 1899 and then became president. He introduced adding machines to the bank and supervised the construction of a new four-story building in 1911. By 1900 the bank's profits amounted to more than \$100,000 annually.

Sam W. Gaar, the nephew of John M. Gaar, took control of the bank in 1914, relinquishing it in the depths of the Great Depression eighteen years later. Between World War I and the Stock Market Crash, Gaar continued the tradition of solid banking and community outreach that had marked previous administrations. When Gaar, Scott & Company almost failed, Sam helped arrange for 2,400 jobs to be saved by dividing the company into smaller industrial concerns. He introduced Christmas Club accounts to the financial institution and led the bank to merge with the Union National Bank in 1928.

In the depths of the Great Depression Dudley N. Elmer assumed the top post, taking over for Albert Matthews, who had been named president only the year before. Elmer had been associated with the institution since 1903, when he was hired as a clerk. During his tenure the bank's assets increased tenfold. Through mergers the bank began to offer branch locations in 1947. By 1951 total resources amounted to \$37.5 million, and total profits amounted to more than \$1.7 million. Elmer retired after fifty years of service.

During one of the most prosperous times in American history the bank's leadership fluctuated. E. Z. Elleman, Benjamin N. Johnson, and Jesse O. Parshall headed the Second National Bank until 1962. The bank grew along with the national economy and gave generously to its city. During the tenures of the three men the bank began to give Earlham College significant monetary contributions. It merged with two other financial institutions, allowing for additional branches to open in Centerville and surrounding towns.

Stable leadership returned with the rise of F. Wayne Stidham to the presidency. By 1972 the bank was sending computerized statements to its customers, and its total assets stood at more than \$102 million. Stidham was one of several business people who helped create Indiana University-East and Ivy Tech. Stidham continued the traditional financial support to Earlham College but also guided the bank in efforts to help revitalize downtown Richmond. After the terrible gas explosion that ripped through the business district in the late 1960s, Second National gave significant donations to the development of the Promenade. The bank also helped several churches construct an interfaith housing complex and worked with a preservation society to purchase Gov. Oliver Morton's historic home. In 1975 Stidham was elected chairman of the board, and William H. King assumed the responsibilities of running the bank. By the end of the 1970s the Second National Bank was earning more than \$10 million in surpluses and undesignated profits.

The 1980s proved to be a decade of flux for the institution. In 1983 Kenneth D. Bane was named president as King ascended to the chairman's office. Second National merged with Wayne County National Bank. In 1986 Second National merged with Star Banc Corporation of Cincinnati, Ohio. In 1988 the Second National Bank of Richmond officially changed names and

Star Bank was born. By the end of the decade total assets topped \$330 million, and profits had risen to more than \$21 million.

The 1990s became a stabilizing decade for the Richmond bank. Kenneth Bane continued as president, and profits rose year after year. In 1993 the bank's profits topped \$21 million, and its total assets exceeded \$348 million.