

City Securities Corporation long-time president J. Dwight Peterson laid the groundwork for current CEO Mike Bosway.

City Securities Corporation Still 'Growing Strong' 90 Years later

By Charlee Beason

Company: City Securities Corporation
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Telephone: (317) 634-4400
Web site: www.CitySecurities.com
Management: Mike Bosway, CEO; John D. Peterson, chairman of the board; Danny Danielson, vice chairman of the board
Employees: 245

What they do:

City Securities Corporation is the oldest and largest independent, full-service investment firm headquartered in Indiana. The company has underwritten over 60% of Indiana's municipal bonds over the last three decades. City Securities specializes in financial services, tax-exempt bonds, municipal bonds, wealth management, corporate finance and public finance. The company recently opened branch locations in Denver, Colo., and St. Petersburg, Fla.

History:

City Securities started in 1924 as a stand-alone corporation under an Indianapolis bank, the City Trust Company. When the financial crash of 1929 brought down the bank, J. Dwight Peterson convinced the courts that City Securities should be able to carry on.

Peterson was involved in the company for 70 years, as president and chairman of the board. His son, John D. Peterson, 80, is chairman today.

"From the ashes of that, we started over. ... Our purpose was to continue the main focus of the City Securities Corporation, which happened to be tax exempt bonds, municipal finance, gravel road bonds. That continued and everything was invented, like university financing and school building financing and all the future of public finance, and that was our main gist from 1932 up until we joined the (Midwest) stock exchange in the '50s," Peterson says.

CEO Mike Bosway became the company's leader in 1999. During his tenure, the firm has focused on its proven strengths in the industry, with an emphasis on what clients might need in the future.

"Technology has had a lot to do with the changes in our business, as it has in a lot of other industries, but I think when you look at the last 20 years there's been an enormous amount of change," he shares.

"We've grown more than three-fold from a financial perspective over that period of time (the last 12 to 14 years) and a lot of it has to do with enhancing the core competencies we had at the time."

CITY SECURITIES CORP.



Linda Matkowski, director of fixed income and capital markets, and Luann Vargo, municipal underwriter, work together in City Securities' group bond center.

Indianapolis is home:

The company renewed its lease in the former L.S. Ayres building in downtown Indianapolis last year, which extends the presence of its headquarters for another 12 years in the city. There are seven additional offices throughout the state.

“We were born in Indianapolis. It’s difficult to think of our corporate headquarters being somewhere else. In regards to this building, much like the Circle Tower building (where the company originated), it has a tremendous amount of history to it, and so do we,” Bosway recognizes.

“As I was walking south on Meridian, there’s a plate in between these two buildings and it says: ‘Colonel Eli Lilly’s first lab.’ I stopped and paused before I entered the building for the first time, because that’s the kind of history we’re all about.”

Major deals:

There have been some notable deals in the company’s history, including the innovation of the “self-liquidating” bond issue to finance residence hall construction at state universities in the early 1920s. On its list of historic underwritings is Marsh Supermarkets in the 1950s. The firm also co-managed the first Indiana Toll Road Commission in the largest bond issue in Indiana’s history at the time. Another bond helped finance the construction of the Hoosier Dome for the Capital Improvement Board. The list goes on and on.

“You simply don’t have to go any further than examine the 92 counties in this state and you will see the footprint of City Securities,” states 93-year-old Danny Danielson, vice chairman of the board.

“As a result of the financial support that this company has given to the public needs in all of those counties, I think that’s one of the reasons why the company has survived. ... It’s built such an enduring reputation as reliable, trustworthy people that complete the job when they’ve been assigned.”

All about the people:

Just what qualities are sought in City Securities employees?

“We assume the people who join us are qualified, but what we put great emphasis on, and we’re not the only company that does this, is our five core tenants: trust, respect, integrity, attitude and commitment,” Bosway explains.

“We’re not perfect, everybody makes mistakes, but those five words are our guiding light in how we conduct business, both internally and externally.”

He contends that the company’s workforce of 245 people is driven to succeed.

“What we don’t want to spend is a lot of time with people who need to be motivated. We want people who are self-motivated and want to achieve. We’re not a publicly-traded company; we’re not going to be a publicly-traded company. We govern ourselves as if we were a public company, so we have high expectations of ourselves,” Bosway maintains.

Still independent:

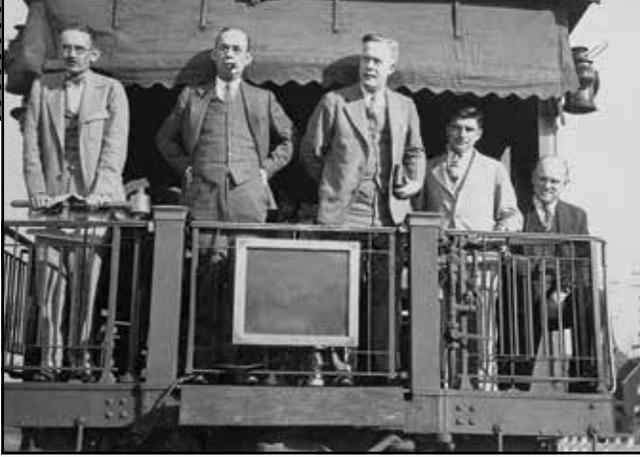
Peterson takes pride in the fact that the organization doesn’t take direction from outside of Indiana, something that’s unique in its industry.

“They’re not getting any instructions from outside like New York, which is very important to the efforts here. It’s all right here; for better or worse, we don’t have to ask anybody outside,” he says.

Part of keeping the firm local is the board of directors, Danielson offers: “I think it’s very unique for a small investment banking firm to have the kind of quality that exists on this board.”



Prior to his business career, Danny Danielson was varsity baseball coach at Indiana University. He was drafted by the Brooklyn Dodgers, but declined to play as he would have competed for the same position as Jackie Robinson.



Those familiar with Indiana University history might recognize some of these names, ones that are also synonymous with City Securities: (from left) IU alumni Cecil W. Weathers, Dick Miller (former City Securities president), unidentified man, J. Dwight Peterson and Judge Ora Wildermuth were heading by train to an IU versus Harvard football game in 1927.

Bosway adds that previously the board didn't really include anyone from outside the company. That changed about 14 years ago.

"Having an outside perspective allows you to think more broadly than you normally would. It's really integral in helping us to get to where we are today. It's a high-functioning board, one that has historical perspective, coupled with fresh ideas and a fresh perspective on what we think we can become," he describes.

The next 90:

City Securities will celebrate 90 years in business next year. Did Peterson ever think he'd see the day the company reached that milestone?

"I really feel a couple hundred years would be really wonderful for City Securities. If this state needs us and this industry needs us, we're going to have the people to perform and deliver," he boasts.

Bosway attests that keeping the long-term future in mind when planning will ensure success. He likes to relay a strength of famous hockey player Wayne Gretzky in how City Securities plans to be in business for (at least) another 90 years.

"He was not a big guy, how he excelled at a sport where it usually takes big brawn and strength – he always skated to where he thought the puck would be. That's the mindset we have here, where we want to be three, five, seven, 10 years from now," Bosway says. "That mindset is mandatory for a company that wants to exist a long period of time."

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Indiana grown.**

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