To the Member and Nonmember Banks,
Bank Holding Companies and Others Concerned
in the Seventh Federal Reserve District:

REGULATION Y
BANK HOLDING COMPANIES

The Board of Governors of the Federal Reserve System has announced that it is reviewing an additional 44 bank holding companies to determine whether they should be permitted to continue activities covered by the grandfather clause of the 1970 amendments to the Bank Holding Company Act. These activities were acquired by the companies prior to mid-1968.

Comments by interested persons should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, to be received not later than November 15, 1972.

A copy of the Board’s order is enclosed.

[Signature]
President
Section 4 of the Bank Holding Company Act (12 U.S.C. 1843) provides certain privileges ("grandfather privileges") with respect to nonbanking activities of a company that, by virtue of the 1970 Amendments to the Bank Holding Company Act, became subject to the Bank Holding Company Act. Pursuant to § 4(a)(2) of the Act, a "company covered in 1970" may continue to engage, either directly or through a subsidiary, in nonbanking activities that such a company was lawfully engaged in on June 30, 1968 (or on a date subsequent to June 30, 1968, in the case of activities carried on as a result of the acquisition by such company or subsidiary, pursuant to a binding written contract entered into on or before June 30, 1968, of another company engaged in such activities at the time of the acquisition), and has been continuously engaged in since June 30, 1968 (or such subsequent date). However § 4(a)(2) provides that the Board of Governors of the Federal Reserve System may determine whether such grandfather privileges should be terminated and, with respect to a company that controls a bank with assets in excess of $60 million on or after December 31, 1970, the Board is required to make such a determination within a two year period. The Board has undertaken a review of nonbank activities of each "company covered in 1970" that controls a bank with assets in excess of $60 million.

In exercising its authority under § 4(a)(2), the Board by order, after opportunity for hearing, may terminate the authority granted by said section if, having due regard to the purposes of the Act, the
Board determines that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. An examination of the grandfather privileges of the companies listed below is in process in order to determine whether continuation of such grandfather privileges, if any, is consistent with the purposes of the Act. A Board determination not to terminate grandfather privileges would not preclude the Board from making a determination at a later date that grandfathered activities must be terminated.

**Bank Holding Company**

Alaska Bancshares, Inc.  
Anchorage, Alaska

**Activities engaged in on, and continuously since, June 30, 1968**

- Real estate development
- Insurance agency operations
- Mortgage financing
- Commercial real estate business
- Management consultant and advisor
- Investment advisor

World Airways, Inc.  
Oakland, California

- Supplemental air carrier
- Lease, purchase, and sale of aircraft
- Aircraft fixed base operator

First Railroad and Banking Company of Georgia  
Augusta, Georgia

- Owner and lessor of railroad property and securities
- Investments in small business investment company, real estate trust, housing, and real estate

First National Bank Voting Trust  
Hollywood, Florida

None

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The listed companies may also be engaged in additional activities permissible under other provisions of the Bank Holding Company Act. In addition, authority to engage in some of the activities listed may be contained in other provisions of the Bank Holding Company Act, and such activities would not be subject to divestiture under § 4(a)(2) of the Act.
<table>
<thead>
<tr>
<th>Bank Holding Company</th>
<th>Activities engaged in on, and continuously since, June 30, 1968</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Estate of James Millikin, Deceased, Decatur, Illinois</strong></td>
<td>Administration of the Trust of James Millikin, the nonbanking activities of which consist of owning farm and urban property and various securities</td>
</tr>
</tbody>
</table>
| **Amalgamated Associates Company**  
Chicago, Illinois | Safe deposit business |
| **Amalgamated Investments Company**  
Chicago, Illinois | |
| **First Highland Corporation**  
Highland Park, Illinois | Small business investment company  
Data processing services |
| **Indiana Industries, Inc.**  
Gary, Indiana | None |
| **Financial Network Corporation**  
Milwaukee, Wisconsin | Bank premises corporation  
Real estate held for expansion of bank |
| **Keystone Consolidated Industries, Inc.**  
Peoria, Illinois | Manufactures steel and wire products |
| **Whitney Holding Corporation**  
New Orleans, Louisiana | Maintenance company serving bank only  
Real estate holdings |
| **Zachary Taylor Life Insurance Co.**  
Schreveport, Louisiana | Reinsurance of credit life risk on subsidiary bank loans  
Originates, sells and services real estate mortgage loans  
Operates parking facilities serving the subsidiary bank |
| **Charles Stewart Mott Foundation**  
Flint, Michigan | Water utilities  
Real estate leasing  
Real estate development  
Sugar production and cattle raising |
| **Minnesota Small Loan Company**  
Minneapolis, Minnesota | Small loan business |
<table>
<thead>
<tr>
<th>Bank Holding Company</th>
<th>Activities engaged in on, and continuously since, June 30, 1968</th>
</tr>
</thead>
</table>
| Delta Loan and Finance Co.  
St. Louis, Missouri | Consumer lending  
Purchasing time sales contracts  
Commercial lending  
Loan participations  
Printing business forms and stationery |
| Coronado Financial Corporation  
Kansas City, Missouri | None |
| Columbia Union Bancshares  
Kansas City, Missouri | Auditing and messenger services  
Automation services for subsidiaries  
Bank advisory services  
Ownership of bank premises real estate |
| Contract Leasing Corporation  
St. Louis, Missouri | Automation services for subsidiaries  
Procures and manages supplies  
Makes policy and supervises systems and methods for related banks and corporations  
Owns bank premises |
| Clayton Bankshares, Inc.  
St. Louis, Missouri | Mortgage banking  
Insurance underwriting  
Advertising  
Credit card operations  
Name billing service  
Computer services  
Courier service  
Financing and leasing equipment  
Managing real estate  
Financial services and supplies |
| South St. Louis Investment Company  
St. Louis, Missouri | None |
| Hampton Bankshares  
St. Louis, Missouri | None |
| First Union National Bancorporation  
Charlotte, North Carolina | Real estate  
Leasing  
Insurance  
Manufacturing and merchandising  
Charitable foundations  
Consumer and business finance  
Venture capital financing  
Data processing services |
Activities engaged in on, and continuously since, June 30, 1968

Bank Holding Company

Schroders, Ltd.
London, England

Securities broker, dealer and flotation company

Services relating to exchange of securities and commodities

Financial advice and investment services

Real estate agent, broker, and manager

Oil exploration

Subdividing and developing

Data processing services

Swiss Israel Trade Bank
Geneva, Switzerland

Mortgage investing and real estate development

Beaver Securities Co., Inc.
New York, New York

Real estate

Manufacture and sale of electronics equipment

Sale of pianos, etc. in U.S.

Publication and sale of sheet music

Installment sale of consumer durables, floor planning

Mortgage brokerage

Manufacture and sale of photoelectric and photovoltaic devices

Ownership and leasing of real property, tools, and machines

D. H. Baldwin Company
Cincinnati, Ohio

Investments of less than 5 per cent of the voting shares of each of the following:

Uranium mining

Real estate/industrial parks

Concrete pipe manufacturer

Transportation

Wasatch National, Incorporated
Ogden, Utah
Bank Holding Company

Activities engaged in on, and continuously since, June 30, 1968

Zions Utah Corporation
Salt Lake City, Utah

Real estate activities
Writes credit life and casualty insurance
Equipment leasing

Patagonia Corporation
Tuscan, Arizona

Acting as an insurance agency primarily in connection with loans made by subsidiary bank
Ownership of 20.005 per cent interest in savings and loan associations
Fire and casualty insurance
Rental of office equipment to subsidiary bank

Republic National Bank of Dallas
Dallas, Texas

Oil and gas mining, exploration and manufacture of related products
Real estate managing, developing, and lending
Financial and management advisory services
Dealing in investment securities
Lending and borrowing money

First Bancorporation
Reno, Nevada

Holding property occupied, or to be occupied, by banking subsidiary

Perpetual Corporation
Los Angeles, California

Life insurance underwriting
Operating cemetery and crematorium
Funeral directors

Pierce National Life Insurance Co.
Los Angeles, California

The Western and Southern Life Insurance Company
Cincinnati, Ohio

Sells, underwrites and issues individual and group life, accident and health policies

2/ Patagonia Corporation claims grandfather privileges with respect to fire and casualty insurance business and the rental of office equipment to its subsidiary bank in view of its alleged status as a successor to a company engaged in such activities on June 30, 1968. The Board has not yet made a determination with respect to that claim.
<table>
<thead>
<tr>
<th>Bank Holding Company</th>
<th>Activities engaged in on, and continuously since, June 30, 1968</th>
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</thead>
<tbody>
<tr>
<td>The Western and Southern Life Insurance Company (Con't.)</td>
<td>and sells individual annuity contracts</td>
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<tr>
<td>First Oklahoma Bancorporation, Inc.</td>
<td>Owns and manages apartment and commercial buildings</td>
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<tr>
<td>Oklahoma City, Oklahoma</td>
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<tr>
<td>Memphis Trust Company - Memphis, Tennessee</td>
<td>Writes credit life and accident insurance</td>
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<tr>
<td></td>
<td>General mortgage company activities</td>
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<tr>
<td></td>
<td>Consulting and financial advisory services to apartment developers, builders, and owners</td>
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<td></td>
<td>Building construction</td>
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<td></td>
<td>Property consultation</td>
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<td></td>
<td>Personal property leasing</td>
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<tr>
<td></td>
<td>Manages bank premises</td>
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<td></td>
<td>Investing in debt and/or equity securities</td>
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<tr>
<td>The Sealy and Smith Foundation for the John Sealy Hospital - Galveston, Texas</td>
<td>Providing management services to subsidiaries</td>
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<td></td>
<td>Investing in companies that are not subsidiaries</td>
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<tr>
<td></td>
<td>Dealing in commercial paper</td>
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<td></td>
<td>Real estate development, investments and leasing</td>
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<tr>
<td>Houston National Company - Houston, Texas</td>
<td>Investments in stocks, bonds, and real property</td>
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<tr>
<td></td>
<td>Owns a hospital</td>
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<td></td>
<td>Owns two parking lots</td>
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<td></td>
<td>Owns and sells real estate for oil exploration</td>
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<td></td>
<td>Manufactures fiber glass pipe</td>
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<td></td>
<td>Manufactures filament winding equipment</td>
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<tr>
<td>3/ Houston National Company claims grandfather privileges with respect to the listed activities in view of its alleged status as a &quot;successor&quot; corporation. The Board has not yet made a determination with respect to that claim.</td>
<td>Real estate development</td>
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<td></td>
<td>Operator or lessor of oil and gas properties</td>
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<td></td>
<td>Owns and operates commercial buildings and parking garages</td>
</tr>
<tr>
<td>Bank Holding Company</td>
<td>Activities engaged in on, and continuously since, June 30, 1968</td>
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<td>-----------------------------------------------------------</td>
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</tr>
<tr>
<td>Houston National Company (Con't.)</td>
<td>Operative builder of hotel, parking garages and office buildings</td>
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<td></td>
<td>Ownership of company accepting deposits and making loans outside of the United States</td>
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<tr>
<td>First National Bank in Dallas 4/</td>
<td>Ownership of small business investment company</td>
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<tr>
<td>Dallas, Texas</td>
<td>Building maintenance</td>
</tr>
<tr>
<td></td>
<td>Accounting, auditing, and bookkeeping services</td>
</tr>
<tr>
<td></td>
<td>Foreign financial activities</td>
</tr>
<tr>
<td>The Hongkong and Shanghai Banking Corporation</td>
<td>Owning commercial buildings used as branch offices for subsidiary bank</td>
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<tr>
<td>Hong Kong</td>
<td></td>
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<tr>
<td>Chicago City Bancorporation, Inc.</td>
<td>Insurance agent and broker</td>
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<tr>
<td>Chicago, Illinois</td>
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</tbody>
</table>

To aid the Board in making its determinations, interested persons are hereby afforded an opportunity to submit relevant data, views, and arguments relating to the continuation of grandfather privileges, if any, of the subject companies. Any such material should be submitted in writing to the Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, to be received not later than November 15, 1972. Such material will be made available for inspection and copying upon request, except as provided in § 261.6(a) of the Board's rules regarding availability of information.

By order of the Board of Governors, September 26, 1972.

(Signed) Tynan Smith

Tyän Smith
Secretary of the Board

4/ First National Bank in Dallas does not control a bank with assets in excess of $60 million but is itself such a bank.