

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 73-53
March 14, 1973

HEARINGS ON APPLICATIONS TO ENGAGE IN INSURANCE AGENCY ACTIVITIES

To All Banks, Bank Holding Companies and Others
Concerned in the Eleventh Federal Reserve District:

The Board of Governors of the Federal Reserve System announced March 7, 1973 that hearings will be heard on 22 applications by bank holding companies to engage in insurance agency activities.

The hearings will be held at Federal Reserve Banks or other suitable locations, at times designated by Administrative Law Judge Paul N. Pfeiffer, who has been designated as hearing officer.

Anyone desiring to participate in the hearings, including those who have already filed objections to a particular application, should file a written request with the Secretary of the Board by March 30, 1973.

Attached is a copy of the Board's order on this matter, including a list of the applications on which hearings will be scheduled.

Yours very truly,

P. E. Coldwell,

President

Attachment

FEDERAL RESERVE SYSTEM

Notice of Hearings on Individual Applications to Engage in Insurance Agency Activities

Notice is hereby given that the Board of Governors of the Federal Reserve System has granted requests for hearings on applications, listed below, to engage in insurance agency activities pursuant to § 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and §§ 225.4(b)(1) and (2) of the Board's Regulation Y (12 CFR 225.4(b)(1) and (2)).^{1/} Objections to each of the applications and requests for a hearing thereon have been received from insurance agents or agencies, who assert they would be adversely affected by approval of each application and from organizations representing such agents or agencies. Among the objections are claims that the proposed activities are not closely related to banking within the terms of § 225.4(a)(9) of Regulation Y, which designates certain insurance agency activities as closely related to banking (12 CFR 225.4(a)(9)) and that in each instance approval of the application to engage in insurance agency activities would not be in the public interest.

The following are the applications involved:

Federal Reserve Bank of Boston

1. Worcester Bancorp., Inc., Worcester, Massachusetts, to engage de novo in certain insurance agency activities at 34 locations

^{1/} Two of the applications were originally filed pursuant to § 225.4(b)(3) which was suspended prior to action on the applications.

in Massachusetts at which Worcester Bancorp., Inc., or its subsidiaries are otherwise engaged in business, through a subsidiary known as Wornat Insurance Agency, Inc.

Federal Reserve Bank of New York

2. The Chase Manhattan Corporation, New York, New York, to engage de novo in certain insurance agency activities at offices of Dovenmuehle New York, Inc., New York, New York, a subsidiary of Dovenmuehle, Inc., New York, New York, which is a wholly-owned subsidiary of The Chase Manhattan Corporation.
3. The Chase Manhattan Corporation, New York, New York, to engage de novo in certain insurance agency activities at seven offices in Florida at which its subsidiary, Housing Investment Corporation of Florida, Miami, Florida, engages in business.

Federal Reserve Bank of Cleveland

4. Pittsburgh National Corporation, Pittsburgh, Pennsylvania, to engage de novo in certain insurance agency activities at a location in Pittsburgh, Pennsylvania, through a subsidiary known as Bankers Insurance Services, Inc.

Federal Reserve Bank of Richmond

5. Dominion Bankshares Corporation, Roanoke, Virginia, to engage in certain insurance agency activities through the acquisition of Fitton Insurance Agency, Inc., Alexandria, Virginia.
(Dominion Bankshares Corporation has filed a companion

application to acquire The Fitton Company, Alexandria, Virginia, which, if denied or withdrawn, would moot the above application.)

Federal Reserve Bank of Atlanta

6. Barnett Banks of Florida, Inc., Jacksonville, Florida, to engage de novo in certain insurance agency activities at 28 offices in Florida at which Barnett Banks of Florida, Inc., or its subsidiaries are otherwise engaged in business.
7. Barnett Banks of Florida, Inc., Jacksonville, Florida, to engage de novo in certain insurance agency activities at six locations in Florida and one location in Texas through a subsidiary to be known as Barnett Winston Insurance Agency, Inc.
8. First National Holding Corp., Atlanta, Georgia, to engage de novo in certain insurance agency activities at two locations in Georgia through a subsidiary, Tharpe & Brooks Incorporated, Atlanta, Georgia, and its registered trade style, First South Insurance Agency.
9. Central and State National Corporation of Alabama, Birmingham, Alabama, to engage de novo in certain insurance agency activities at a location in Birmingham, Alabama, through a subsidiary known as CSN Underwriters, Inc.
10. The Alabama Financial Group, Inc., Birmingham, Alabama (formerly known as BTNB Corporation), to engage de novo in certain

insurance agency activities at a location in Birmingham, Alabama, through a subsidiary known as Alabama Financial Insurance Agency, Inc.

11. Citizens and Southern Holding Company, Atlanta, Georgia, a subsidiary of Citizens and Southern National Bank, Atlanta, Georgia, to engage de novo in certain insurance agency activities at offices of The Citizens and Southern National Bank or Citizens and Southern Holding Company, and at the offices of subsidiaries thereof, through a subsidiary known as The Citizens and Southern Agency. (Applicant seeks to expand the activities of The Citizens and Southern Agency which were approved prior to the 1970 Amendments of the Bank Holding Company Act. See 55 Federal Reserve Bulletin 673 (1969)).
12. Palmer Bank Corporation, Sarasota, Florida, to engage de novo in certain insurance agency activities at offices in Sarasota, Fort Myers, and Naples, Florida, through a subsidiary known as Coastal Mortgage Company.
13. Pan American Bancshares, Inc., Miami, Florida, to engage in certain insurance agency activities through the acquisition of Atico Financial Corporation, Miami, Florida.

Federal Reserve Bank of St. Louis

14. Financial Development Company, Southaven, Mississippi, to engage de novo in certain insurance agency activities in Southaven, Mississippi, through a subsidiary known as FNB Insurance Agency.

15. County National Bancorporation, Clayton, Missouri, to engage in certain insurance agency activities through the acquisition of General Mortgage Company of St. Louis, St. Ann, Missouri. (Applicant has requested separate Board consideration of the insurance agency activities. Withdrawal or denial of the application to acquire the mortgage company would moot the insurance agency issues.)

Federal Reserve Bank of Kansas City

16. Affiliated Bankshares of Colorado, Inc., Boulder, Colorado, to continue to engage in certain insurance agency activities through the retention of Insurance Professionals, Inc., Loveland, Colorado. Applicant will engage in such activities at 17 offices of its banking and nonbanking subsidiaries in Colorado.
17. NBC Company, Lincoln, Nebraska, to engage de novo in certain insurance agency activities at an office in Lincoln, Nebraska, through a subsidiary known as NBC Agency, Inc.
18. The First National Bancorporation, Inc., Denver, Colorado, to engage de novo in certain insurance agency activities at offices of The First National Bancorporation, Inc., and its subsidiaries in Colorado, through a subsidiary to be known as First Denver Assurors Company.

Federal Reserve Bank of San Francisco

19. Southern California First National Corporation, San Diego, California, to engage de novo in certain insurance agency activities at an office in San Diego, California, through a subsidiary known as S. C. National Associates.
20. Marine Bancorporation, Seattle, Washington, to engage de novo in certain insurance agency activities at two offices in Seattle of its wholly-owned subsidiary, Commerce Credit Company, Seattle, Washington.
21. Orbanco, Inc., Portland, Oregon, to engage in certain insurance agency activities through the acquisition of Far West Securities Co., Spokane, Washington, at offices of Far West Securities Co. (Applicant has requested separate Board consideration of the insurance agency activities from the mortgage company activities involved in the application. Withdrawal or denial of the proposed mortgage company acquisition would moot the insurance agency issues.)
22. Patagonia Corporation, Tuscon, Arizona, to engage in certain insurance agency activities through the acquisition of Western American Insurance Agency, Phoenix, Arizona.

It is hereby ordered that, pursuant to § 4(c)(8) of the Bank Holding Company Act, a hearing be held with respect to each application listed above, to be conducted in accordance with the

Board's Rules of Practice for Formal Hearings (12 CFR 263). Administrative Law Judge Paul N. Pfeiffer has been designated as the hearing officer by the United States Civil Service Commission. Hearings on the individual applications will be held at such Federal Reserve Bank offices and at such times as may be designated by the Administrative Law Judge. The right is reserved to the Board and the Administrative Law Judge to designate any other places for such hearings or any part thereof that may be determined to be necessary and appropriate.

Section 263.6(d) of the Board's Rules of Practice for Formal Hearings (12 CFR 263.6(d)) provides in part "Unless otherwise specifically provided by statute or by rule of the Board, a hearing shall ordinarily be private and should be attended only by the parties, their representatives or counsel, representatives of the Board, witnesses while testifying, and other persons having official interest in the proceedings: Provided, however, that on written request by a party or a representative of the Board, or on the Board's own motion, the Board in its discretion and to the extent permitted by law may permit other persons to attend or may order the hearing to be public."

Any person, including those who have already filed objection to an application, desiring to give testimony, present evidence, or otherwise participate in these proceedings should file with

the Secretary, Board of Governors of the Federal Reserve System, Washington, D. C. 20551, on or before March 30, 1973, a written request containing a statement of the nature of the petitioner's interest in the proceedings, the extent of the participation desired, a summary of the matters concerning which petitioner wishes to give testimony or submit evidence and the names and identity of witnesses who propose to appear. All requests received, together with the applications and the objections and requests to intervene heretofore received, will be presented to the Administrative Law Judge, who will thereafter schedule such pre-hearing conferences as are necessary.

The applications may be inspected at the respective Federal Reserve Bank of the applicants or at the Federal Reserve Building, 20th Street and Constitution Avenue, N.W., Washington, D. C.

By order of the Board of Governors, March 6, 1973.

(Signed) Tynan Smith

Tynan Smith
Secretary of the Board

[SEAL]