

FEDERAL RESERVE BANK
OF NEW YORK

File No 8598
July 5, 1979

SECURITIES OF MEMBER STATE BANKS
Comment Invited on Proposed Amendments to Regulation F
To Conform with SEC Rules

*To All State Member Banks in the
Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System is proposing to amend its Regulation F, "Securities of Member State Banks," to make it substantially similar to comparable rules and regulations issued by the Securities and Exchange Commission (which apply to various issuers other than banks, including bank holding companies). The proposed changes relate principally to (a) filing and disclosure requirements relating to beneficial ownership, (b) corporate governance, (c) management remuneration, and (d) changes in independent accountant and auditor fees.

In submitting the proposal for comment, the Board indicated that it is especially interested in receiving comment on two of the proposed changes relating to disclosures on proxy statements. In the first place, the Board has proposed lowering the dollar ceiling for the exemption from reporting indebtedness of specified persons, from \$10 million to \$5 million; however, the Board specifically requests comment on the alternative of continuing the \$10 million ceiling. Secondly, the Board requests comment on the extent to which personal benefits furnished to bank management should be exempt from disclosure.

Enclosed, for State member banks in this District that are presently subject to Regulation F, is a copy of the Board's proposal. It will be published in the *Federal Register* and copies will be furnished upon request (Tel. No. 212-791-5914). Comments thereon should be submitted by August 22, and may be sent to our Regulations Division.

PAUL A. VOLCKER,
President.

FEDERAL RESERVE SYSTEM

At. Circ. No. 8598

[12 C.F.R. Part 206]

[Reg. F; Docket No. R-0235]

SECURITIES OF MEMBER STATE BANK

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Proposed Rule.

SUMMARY: Pursuant to its authority under section 12(i) of the Securities Exchange Act of 1934, as amended (15 U.S.C. § 78(i)) ("Act"), the Board proposes to amend its Regulation F (12 C.F.R. § 206) in order that it will be substantially similar to comparable rules and regulations issued by the Securities and Exchange Commission. This proposal is intended to comply with section 12(i) of the Act, which requires that the Board either conform its Regulation F to any changes made by the Commission in its relevant rules and regulations, or publish reasons why the Board has determined that such changes are not necessary or appropriate. The proposed changes, which in all major respects are consistent with recent amendments to the rules of the Commission, concern: (A) Beneficial Ownership and Acquisition Statements (B) Corporate Governance (C) Management Remuneration (D) Changes in Independent Accountant and Auditor Fees and (E) Simplification and other Commission Amendments. There are, however, two provisions in the proposed amendments that, in one case would differ from the Board's present regulation and, in another would differ from the regulations of the Commission. Accordingly, the Board specifically requests comments on the dollar exemptions from reporting management indebtedness pursuant to Item 7(d) of Form F-5 (Proxy Statement) 12 C.F.R. § 206.51, and personal benefits pursuant to Item 7 on Form F-5 (Proxy Statement) 12 C.F.R. § 206.51, as more fully described below in sections B6 and C of the section entitled, "Supplementary Information".

DATES: Comments must be received by August 22, 1979.

ADDRESS: Interested persons are invited to submit written data, views

or arguments regarding the proposed regulation to the Office of the Secretary, Board of Governors of the Federal Reserve System, Washington D.C. 20551. All material submitted should include the docket number R-0235. All written comments will be made available for public inspection at this address.

FOR FURTHER INFORMATION CONTACT: Thomas Sidman, Assistant Director, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 (202/452-3503), or Richard M. Whiting, Senior Attorney, Legal Division, Board of Governors of the Federal Reserve System, Washington, D. C. 20551 (202/452-3786).

SUPPLEMENTARY INFORMATION: The Federal Reserve Board would make the following changes:

A. FILING AND DISCLOSURE REQUIREMENTS RELATING TO BENEFICIAL OWNERSHIP.

Generally, section 13(d) of the Act requires that any person (or group of persons) who, as a result of an acquisition, becomes the beneficial owner of more than 5 per cent of certain classes of equity securities of certain issuers must file a report with respect to such acquisition. Section 13(d) of the Act was designed to provide information to the public and affected issuers about rapid accumulations of their equity securities in the hands of "beneficial owners" who could then have the ability to change or influence control of the issuer. To implement this provision, the Commission proposed in 1977 rules defining the term "beneficial ownership", SEC Release No. 34-13291, 43 Federal Register 12342 (February 24, 1977). Later Congress determined that the information required by section 13(d) and the regulations and forms promulgated thereunder did not provide adequate investment information. Congress therefore enacted legislation, principally the Domestic and Foreign Investment Disclosure Act of 1977, P.L. No. 95-213, 91 Stat. 1494

(1977), amending section 13(d) of the Act to specifically require certain enumerated disclosures such as residence, citizenship and the nature of the beneficial ownership. In addition, a new section 13(g) was added to the Act. Section 13(g) authorized the Commission to achieve a comprehensive, centralized and minimally burdensome reporting system and to close the gaps which exist in the present scheme for requiring disclosure by persons whose beneficial ownership exceeds 5 per cent of certain equity securities. SEC Release No. 34-15348, 43 Federal Register 55751 (November 29, 1978).

Accordingly, the Commission has adopted amendments to its regulations and forms that reflect the intent of Congress. First, the Commission broadened the definition of "beneficial ownership" by amending its Rule 13d-3. SEC Release No. 34-14692, 43 Federal Register 18484 (April 29, 1978). Under amended Rule 13d-3 beneficial ownership is determined with reference to voting power or investment power (the power to dispose or direct disposition of the security). For purposes of reporting pursuant to section 13(d) of the Act, one who has the right to acquire beneficial ownership is deemed to be a beneficial owner. The ownership will also apply for purposes of reporting under section 14(d)(1) of the Act. Second, the Commission adopted a new paragraph (c) to its Rule 13d-1 that requires filings by persons currently not required to report - i.e., (1) those who acquired beneficial ownership of securities prior to December 22, 1970, (2) those who acquired not more than 2 per cent of a class of securities within a 12-month period, and (3) those who acquired securities in a stock-for-stock exchange registered under the Securities Act of 1933, SEC Release No. 34-15348, 43 Federal Register 55751 (November 29, 1978). Third, the Commission

amended its Rule 13d-1(b) and adopted new short form Schedule G that may be used by specified institutional persons only when such persons are acquiring and holding securities in the ordinary course of business and not with the purpose or effect of changing or influencing control of the issuer or in connection with a participant in any transaction having such purpose or effect. SEC Release No. 34-14692, 43 Federal Register 18484 (April 28, 1978). Under the amended Commission rules, Schedule 13G is available for use by institutional investors such as certain brokers, dealers, banks, investment companies, investment advisors, employee benefit plans, pension funds, parent holding companies, groups, and insurance companies. Fourth, on April 21, 1978, the Commission amended its Rules 13d-1(b)(i)(G) and 13d-3(d)(3) to clarify the application of the new definition of beneficial ownership to parent holding companies and certain of their subsidiaries and to pledgees of securities. SEC Rel. No. 34-14910, 43 Federal Register 29767 (July 11, 1978). The Rule no longer exempts absolutely from the definition of beneficial owner a person whose only interest in the securities is that of a pledgee in the ordinary course of his business, although such pledgees continue to be exempt provided they meet certain conditions. Finally, the Commission has amended its Rule 13d-1(c) to require any person who is not "otherwise" required to report pursuant to Rule 13d-1 but who is a beneficial owner of more than 5 per cent of a specified class of equity securities, to report on Schedule 13G, 43 Federal Register 55751. A person could fall into this category if, for example, he acquired beneficial ownership of a class of securities that, while not registered pursuant to section 12(g) of the Act at the time of acquisition, has subsequently become registered.

However, Rule 13d-1(c) exempts issuers who acquire their own securities from the class of persons not "otherwise" required to report. Thus, issuers who satisfy the exemption under section 13(d)(6)(c) of the Act do not have to file either Schedule 13D or Schedule 13G. All filings under Rule 13d-1(c) are to be made on a modified version of the Commission's Schedule 13G.

The Board proposes to amend its regulations and forms to expand the definition of beneficial ownership as described above and to provide a new short form acquisition notice. Accordingly, the Board proposes appropriate amendments to 12 C.F.R. §§ 206.4(h) and 206.5(1) of Regulation F, Form F-11, (Acquisition Form), 12 F.R. § 206.47, Item 5 of Form F-5, (Proxy Statement), 12 C.F.R. § 206.51, and proposes new Form F-11A, (Short Form Ownership Statement), 12 C.F.R. § 206.48, as set forth below.

In considering these proposals the Board noted that pursuant to section 13(g)(5) of the Act the Commission is required to tabulate and make available to the public the information filed with it relating to beneficial ownership and that for such purpose, the Commission has added cover pages to its forms that set forth such data in a form suitable for its data processing system. However, the Board believes that the addition of similar cover sheets to its forms is unnecessarily burdensome on those filing such forms. In addition, in view of the relatively small number of filings the Board expects to receive, the Board believes its staff can compile similar information while reviewing the filings. The Board will make such a tabulation of share ownership available to the public.

B. CORPORATE GOVERNANCE

The Commission amended its rules relating to Corporate

Governance. SEC Release No. 34-15384, 43 Federal Register 58522 (December 14, 1978). The objective of these amendments is to provide the investing public with additional information upon which to assess and participate in the corporate electoral process and corporate governance. The amendments require disclosure regarding:

1. Shareholder Proposals. The Commission revised its rules to allow a shareholder proponent the opportunity to bring an allegedly false or misleading statement in management's statement opposing the shareholder's proposal to the attention of management and the Commission. The Commission listed three reasons for adopting this rule: (1) it simply would be more equitable if shareholder proponents were permitted to see management's opposing statement before it is mailed to shareholders; (2) in light of the problems associated with a total reliance on judicial remedies and the limited Commission resources available for review of proxy materials, it appears appropriate for an effective administration of the proxy rules that a shareholder proponent be given the opportunity to examine management's opposing statement for accuracy and (3) it would appear to be in the best interests of all parties that questions concerning the factual accuracy of the opposing statements be resolved during the comment process. SEC Release 34-15384, 43 Federal Register 58522 (December 14, 1978).

The Board believes it appropriate to adopt a similar rule and, therefore, proposes to amend § 206.5(k)(5) of Regulation F as set forth below.

2. Resignation of Directors. The Commission revised its rules to require disclosure of a director's resignation if the director has furnished the registrant with a letter describing the disagreement relating to the registrant's operations, policies or practices and requesting

that the matter be disclosed. If the issuer believes the description provided by the director is inaccurate or incomplete, it may include a statement of its views of the disagreement. The Commission believes that, as revised, the items will be less likely to create compliance problems and yet will still assure that directors who have resigned or declined to stand for re-election will be able to disclose this information in a manner which is most likely to reach shareholders.

The Board believes that the rule changes adopted by the SEC are beneficial and would adopt the amendments substantially in the form adopted by the SEC by amending Item 5 of Form F-3 (Current Report), 12 C.F.R. §206.43, and Item 6(i) of Form F-5 (Proxy Statement, 12 C.F.R. § 206.51, as set forth below.

3. Disclosure of Terms of Settlement of Election Contests.

The Commission amended its rules to require an issuer to disclose the settlement terms of an election contest, including the anticipated cost to issuer.

The Board has determined to adopt similar rules and, accordingly, proposes to revise Item 7(d) of Form F-4 (Quarterly Report), 12 C.F.R. §206.44 and Item 3(b)(6) of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, as set forth below.

4. Directors and Officers. The Commission revised its rules and regulations to require additional information to provide investors with more comprehensive information about the background, qualifications and affiliations of directors who serve on the boards of public companies. Thus, disclosure is required of all other directorships held by each director on the board of any other company with a class of securities registered pursuant to the Act. In addition, disclosure is required of certain family and business relationships between any director or officer or nominee

for such office.

The amended rules also require information about litigation in which officers and directors or nominees have been involved which may be material to an evaluation of the ability or integrity of such persons. The time period covered by this disclosure requirement is limited to the five years prior to filing. The amended rules require information about: injunctions prohibiting directors and officers from engaging in any type of business practice, future violations of federal or state securities laws and civil actions where there are violations of federal or state securities laws and any court order, judgment or decree enjoining or restricting such persons from acting in certain capacities particularly relating to certain business activities. Where there are mitigating circumstances surrounding consent orders, decrees or judgments, or where there are reasons why inferences should not be drawn from prior affiliations with a business association, these circumstances may be explained.

Specified identity and background information must also be disclosed concerning persons such as attorneys or special consultants employed by the bank who, although not officers, make or are expected to make significant contributions to the business of the bank. The Board has considered the Commission's revisions and has determined that similar revisions to its regulations would be appropriate. Accordingly, the Board has adopted revisions to Item 6 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, as set forth below.

5. Committees. The Commission adopted rules regarding the issuer's committee structure and management's participation therein. Each issuer must disclose: (1) whether it has a standing audit, nominee

and compensation committee; (2) the functions that such committees perform; (3) the number of meetings annually held, and (4) the identity of any director attending fewer than 75 per cent of board of directors or committee meetings.

The Board has proposed substantially similar amendments to its regulations as set forth in Item 6 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, as set forth below.

6. Indebtedness of Specified Persons. The Board proposes to amend its rules to require additional disclosure relating to the indebtedness to the bank, by its officers, directors and principal security holders. In particular, the Board would require a statement of the percentage of equity capital accounts of any disclosed indebtedness and of total indebtedness of all directors and officers. In addition, the Board would include repayment terms as one of the factors to be considered in determining whether an extension of credit is made in substantially the same terms as those required of others. Also, Instruction 2(d) of Item 7(d) of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, which presently provides an exclusion from reporting the indebtedness of specified persons when such indebtedness does not exceed the lesser of 10 per cent of equity capital or \$10 million, would be

*The following page is 9a.

amended by lowering the dollar amount of such exemption to \$5 million while retaining the 10 per cent of equity capital test. The Board believes that this change would provide more meaningful disclosure for shareholder evaluation of management indebtedness. Thus, the proposed amendment contains the \$5 million exemption discussed above; however, the Board specifically requests comment on the alternative of maintaining such exemption at \$10 million. Such comments will be considered when the Board adopts these amendments in a final form. Accordingly, the Board proposes to amend Item 7 of Form F-5 (Proxy Statement) 12 C.F.R. § 206.51, as set forth below.

C. MANAGEMENT REMUNERATION

On December 4, 1978, the Commission amended its rules with respect to management remuneration. SEC Rel. No. 34-15380, 43 Federal Register 58181 (December 13, 1978). The purpose of these amendments is

*The following page is 10.

to provide the public with more complete and quantitative information regarding the remuneration, including perquisites, of corporate management. The amended rules would require disclosure not only of remuneration paid directly by the registrant and its subsidiaries, but also of all remuneration from third parties for services to the registrant and its subsidiaries. In addition, disclosure is required in certain instances regarding remuneration not previously disclosed which is for services performed in prior fiscal years.

The Commission has amended its rules to require disclosure for the five highest paid officers (rather than three highest paid officers) in order to provide investors with further data with which to assess the performance of key members of management. However, the disclosure floor has been raised by 25 per cent from \$40,000 to \$50,000 in recognition of inflationary effects on remuneration. Thus, larger issuers will be required to disclose more information while smaller issuers will enjoy more privacy.

The remuneration table adopted by the Commission, which discloses information concerning the forms of remuneration received, has been modified in certain respects. The expanded format includes all cash or cash equivalent forms of remuneration that have been distributed during the fiscal year or which have been accrued during the fiscal year and with reasonable certainty will be distributed or unconditionally vested in the future, if they relate to services performed in the fiscal year. Cash-equivalent remuneration includes the spread between the acquisition price and the fair market price of securities or property acquired under any plan or arrangement including securities issued on

the exercise of options, less any amount previously reported in the remuneration table for a prior fiscal year. Cash-equivalent remuneration would also include benefits relating to life insurance, health insurance and medical reimbursement plans. However, nondiscriminatory group life insurance programs are exempt from the reporting requirements.

Also included as cash-equivalent remuneration are certain personal benefits which are not directly related to job performance including indirect benefits. These include, among others, issuer payments for: (1) home repairs and improvements; (2) housing and other living expenses (including domestic service) provided at principal and/or vacation residences of management personnel; (3) personal use of company property, such as automobiles, planes, yachts, apartments, hunting lodges or company vacation houses; (4) personal travel expenses; (5) personal entertainment and related expenses; and (6) legal, accounting and other professional fees for matters unrelated to the business of the issuer. Other personal benefits that may be considered forms of remuneration are the following: the ability of management to obtain benefits from third parties, such as favorable bank loans and benefits from suppliers, where the corporation compensates, directly or indirectly, the bank or supplier for providing the loan or services to management; and the use of the corporate staff for personal purposes.

The Commission has adopted a conditional exclusion for certain personal benefits if an issuer cannot determine without unreasonable effort or expense the specific amount of personal benefits or the extent to which benefits are personal rather than business. If the issuer concludes such benefits do not exceed \$10,000 and its board of directors

concludes that their omission does not render the table materially misleading, they may be omitted. Footnote disclosure is required where personal benefits exceed 10 percent of an officer or director's remuneration or \$25,000, whichever is less.

The table also includes the type of remuneration that may be of a contingent nature where the distribution of the remuneration or the unconditional vesting or measurement of benefits thereunder is subject to future events. Contingent remuneration is separated from cash and cash-equivalent remuneration in a separate column. This includes any amounts expensed under any pension or retirement plan, annuity, employment contract, deferred compensation plan, or similar arrangement. Contributions to tax qualified plans would be included but a general exclusion is permitted if the amount is not readily calculable, in which case an explanatory footnote would be required. Also included are any amounts expensed in connection with stock options, stock appreciation rights, phantom stock plans and any other compensation plan pursuant to which the measure of benefits is based on objective standards or the value of securities. This would encompass not only those arrangements in which the measure of benefits is based on the market price of securities but also those in which benefits result, for example, from the issuer having met predetermined earnings goals.

There is also a requirement that disclosure be made of any stock purchase, profit sharing, thrift or similar plan. It could be noted that plans of this type might not involve contingencies geared to future events and may instead be includable as a cash-equivalent form of remuneration.

After reviewing the Commission's amended rules, the Board has determined that, with one possible exception, substantially similar amendments to its regulations are appropriate. That is, Item 7 of the Board's proposal would exempt from the disclosure requirements relating to personal benefits, benefits that do not exceed \$5,000 for each specified person and that the bank file with the Board a statement of its practices and policies relating to such personal benefits. The Board believes this provision would result in more meaningful disclosure of personal benefits than is required under comparable Commission regulations. In the alternative, the Board is considering adoption of provisions relating to disclosure of personal benefits that would be identical to those of the Commission, as described above. To reiterate, those provisions would contain an exemption relating to unascertainable personal benefits where such benefits do not exceed \$10,000 and where the board of directors of the bank determines that their nondisclosure would not be a material omission from the filing. The Board specifically requests comment on whether it should adopt in final form Item 7 as it has proposed or, in the alternative, whether it should conform its proposal to that of the Commission as described herein. Accordingly, the Board is proposing to amend Item 7 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, as set forth below.

*The following page is 13a.

D. CHANGES IN INDEPENDENT ACCOUNTANTS; SERVICES AND FEES
OF INDEPENDENT AUDITORS

1. The Commission amended its rules to require disclosure of whether a decision to change the independent accounts of registrant was recommended or approved by the audit or similar committee of the board of directors. SEC Rel. No. 34-14808, 43 Federal Register 24288 (June 5, 1978).

Currently, Item 4 of Form F-3 (Current Report), 12 C.F.R. § 206.43, requires State member bank to report changes in its independent accountant, including the date of change, reports of disagreements with the former accountant, descriptions of adverse opinions by the former accountant, and a letter from the former accountant commenting on the information submitted by the Bank in response to Item 4. Item 8 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, requires the reporting bank to identify the accountant selected for the current year and, if different, for the fiscal year most recently completed, and to describe changes in accountants and disagreements with accountants that have occurred since the most recent annual meeting, including views of the accountant that conflict with the bank's view of the disagreement.

2. The Commission also has adopted amendments to its rules requiring disclosure in proxy statements of (1) services provided during

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the last fiscal year by a principal independent accountant, the percentage relationship which the aggregate fees for all non-audit services bear to the audit fee and the percentage relationship that the fees for each non-audit service bear to the audit fees; and (2) whether the board of directors or its audit or similar committee has approved each such service. SEC Release No. 34-14904, 43 Federal Register 29110 (July 6, 1978).

Currently, Item 8 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, does not specifically require the disclosure of information regarding the provision of and fees concerning non-financial services performed for a state member bank by its independent accountants or the approval of such services by the bank's board of directors.

The Board believes that the rule changes adopted by the SEC are beneficial and would adopt the amendments substantially in the form adopted by the SEC by amending Item 4 of Form-F-3 (Current Report), 12 C.F.R. § 206.43, and Item 8 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, as set forth below.

E. SIMPLIFICATION AND OTHER COMMISSION AMENDMENTS.

The Commission has amended its regulations by adopting in 1977 and revising thereafter a new regulation, Regulation S-K, that assembles in one place the reporting requirements that are applicable to various forms. SEC Rel. No. 5893, 42 Federal Register 65554 (December 30, 1977); SEC Rel. No. 34-15006, 43 Federal Register 34402 (August 3, 1978) and SEC Rel. Nos. 34-15380 and 34-15418, 43 Federal Register 58181, 60418 (December 13 and 27, 1978).

The Board has determined not to adopt at this time a separate regulation substantially similar to Regulation S-K. It believes the same effect may be achieved by proposing common items to be contained in its Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, and cross-referenced thereto from other forms. Such cross-references are found in the proposed amendments to Forms F-1 (Registration Statement), F-2 (Annual Report), and F-3 (Current Report), 12 C.F.R. §§ 206.41, 206.42 and 206.43, respectively, as set forth below.

In addition, in connection with this proposal the Board has simplified certain of the Commission amendments, such as those relating to Management Remuneration in Item 7 of Form F-5 (Proxy Statement), 12 C.F.R. § 206.51, by shortening and rewriting certain provisions. The Board is considering whether to extend this simplification technique to the whole of Regulation F if it determines that it will produce significant benefits to banks. Therefore, the Board solicits comments from the public and the banks regarding such simplification of Regulation F.

Finally, the Commission has proposed other amendments to its rules and regulations. Many of these changes, such as those relating to industry segment reporting, for example, are not directly applicable in the banking industry and therefore have not been proposed for adoption by the Board.

PROPOSED AMENDMENTS

(1) Section 206.4(h) of Regulation F would be amended by revising subsections (3)-(5) and by adding subsection (6)-(8) to read as follows:

* * *

§206.4(h)(3) (i) Any person who, after acquiring directly or indirectly the beneficial ownership of any equity security of a member

State bank, of a class which is registered pursuant to Section 12 of the Act, provided, such term shall not include securities of a class of nonvoting securities, is directly or indirectly the beneficial owner of more than 5 per cent of such class shall, within 10 days after such acquisition, send to the bank at its principal executive office, by registered or certified mail, and to each exchange where the security is traded, and file with the Board, a statement containing the information required by Form F-11. Eight copies of the statement, including all exhibits, shall be filed with the Board.

(ii) (A) A person who would otherwise be obligated under paragraph (i) of this section to file a statement on Form F-11 may, in lieu thereof, file with the Board within 45 days after the end of the calendar year in which such person became so obligated, eight copies, including all exhibits, of a short form statement on Form F-11A and send one copy each of such form to the bank at its principal executive office, by registered or certified mail, and to the principal national securities exchange where the security is traded: Provided, That it shall not be necessary to file a Form F-11A unless the percentage of the class of equity security specified in paragraph (i) of this section beneficially owned as of the end of the calendar year is more than 5 per cent: And provided further, That:

(1) Such person has acquired such securities in the ordinary course of his business and not with the purpose nor with the effect of changing or influencing the control of the bank, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(i); and

(2) Such person is:

(a) A broker or dealer registered under section 15 of the Act;

(b) A bank as defined in Section 3(a)(6) of the Act;

(c) An insurance company as defined in Section 3(a)(19) of the Act:

(d) An investment company registered under Section 8 of the Investment Company Act of 1940;

(e) An investment adviser registered under Section 203 of the Investment Advisers Act of 1940;

(f) An employee benefit plan, or pension fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") or an endowment fund;

(g) A parent holding company, provided the aggregate amount held directly by the parent, and directly and indirectly by its subsidiaries which are not persons specified in paragraph (ii)(A)(2)(a) through (f) of this section, does not exceed 1 per cent of the securities of the subject class;

(h) A group, provided that all the members are persons specified in paragraph (ii)(A)(2)(a) through (g) of this section; and

(3) Such person has promptly notified any other person (or group within the meaning of Section 13(d)(3) of the Act) on whose behalf it holds, on a discretionary basis, securities exceeding 5 per cent of the class, of any acquisition or transaction on behalf of such other person that might be reportable by that person under Section 13(d) of the Act. This paragraph only requires notice to the account owner of information that the filing person reasonably should be expected to know and that would advise the account owner of an obligation he may have to file a statement pursuant to Section 13(d) of the Act or an amendment thereto.

(B) Any person relying on § 206.4(h)(3)(ii)(A) and § 206.4(h)(4)(ii)(B) shall, in addition to filing any statements required thereunder, file a statement on Form F-11A, within ten days after the end of the first month in which such person's direct or indirect beneficial ownership exceeds 10 per cent of a class of equity securities specified in § 206.4(h)(3)(i) computed as of the last day of the month, and thereafter within ten days after the end of any month in which such person's beneficial ownership of securities of such class, computed as of the last day of the month, increases or decreases by more than 5 per cent of such class of equity securities. Eight copies of such statement, including all exhibits, shall be filed with the Board and one each sent, by registered or certified mail, to the bank at its principal executive office and to the principal national securities exchange where the security is traded. Once an amendment has been filed reflecting beneficial ownership of 5 per cent or less of the class of securities, no additional filings are required

by this paragraph (ii)(B) unless the person thereafter becomes the beneficial owner of more than 10 per cent of the class and is required to file pursuant to this provision.

(C)(1) Notwithstanding paragraphs (ii)(A) and (ii)(B) and § 206.4(h)(4)(ii), a person shall immediately become subject to § 206.4(h)(3)(i) and 206.4(h)(4)(i) and shall promptly, but not more than ten days later, file a statement on Form F-11 if such person:

(a) Has reported that it is the beneficial owner of more than 5 per cent of a class of equity securities in a statement on Form F-11A pursuant to paragraph (ii)(A) or (ii)(B), or is required to report such acquisition but has not yet filed the form;

(b) Determines that it no longer has acquired or holds such securities in the ordinary course of business or not with the purpose nor with the effect of changing or influencing the control of the bank, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(ii); and

(c) Is at that time the beneficial owner of more than 5 per cent of a class of equity securities described in § 206.4(h)(3)(i).

(2) For the ten-day period immediately following the date of the filing of a Form F-11 pursuant to this paragraph (ii)(C), such person shall not: (A) Vote or direct the voting of the securities described in paragraph (ii)(C)(1)(a); nor, (B) Acquire an additional beneficial ownership interest in any equity securities of the bank nor of any person controlling the bank.

(D) Any person who has reported an acquisition of securities in a statement on Form F-11A pursuant to paragraph (ii)(A) or (ii)(B) and thereafter ceases to be a person specified in paragraph (ii)(A)(2) shall immediately become subject to § 206.4(h)(3)(i) and § 206.4(h)(4)(i) and shall file, within ten days thereafter, a statement on Form F-11 in the event such person is a beneficial owner at that time of more than 5 per cent of the class of equity securities.

(iii) Any person who, as of December 31, 1978, or as of the end of any calendar year thereafter, is directly or indirectly the beneficial owner of more than 5 per cent of any equity security of a class specified in paragraph (h)(3)(i) and who is not required to file a statement under paragraph (h)(3)(i) by virtue of the exemption provided by Section 13(d)(6)(A) or (B) of the Act, or because such beneficial ownership was acquired prior to December 20, 1970, or because such person otherwise (except for the exemption provided by Section 13(d)(6)(c) of the Act) is not required to file such statement, shall, within 45 days after the end of the calendar year in which such person became obligated to report under this paragraph, send to the bank at its principal executive office, by registered or certified mail, and file with the Board, a statement containing the information required by Form F-11A. Eight copies of the statement, including all exhibits, shall be filed with the Board.

(iv) For the purposes of Section 13(d) and 13(g), any person, in determining the amount of outstanding securities of a class of equity securities, may rely upon information set forth in the bank's most recent

quarterly or annual report, and any current report subsequent thereto, filed with the Board pursuant to this Act, unless he knows or has reason to believe that the information contained therein is inaccurate.

(v) (A) Whenever two or more persons are required to file a statement containing the information required by Form F-11 or Form F-11A with respect to the same securities, only one statement need be filed, provided that:

(1) Each person on whose behalf the statement is filed is individually eligible to use the Form on which the information is filed;

(2) Each person on whose behalf the statement is filed is responsible for the timely filing of such statement and any amendments thereto, and for the completeness and accuracy of the information concerning such person contained therein; such person is not responsible for the completeness or accuracy of the information concerning the other persons making the filing, unless such person knows or has reason to believe that such information is inaccurate; and

(3) Such statement identifies all such persons, contains the required information with regard to each such person, indicates that such statement is filed on behalf of all such persons, and includes, as an exhibit, their agreement in writing that such a statement is filed on behalf of each of them.

(B) A group's filing obligations may be satisfied either by a single joint filing or by each of the group's members making an individual filing. If the group's members elect to make their own filings, each

such filing should identify all members of the group but the information provided concerning the other persons making the filing need only reflect information which the filing person knows or has reason to know.

§206.4(h)(4)(i) Form F-11 -- If any material change occurs in the facts set forth in the statement required by § 206.4(h)(3)(i) including, but not limited to, any material increase or decrease in the percentage of the class beneficially owned, the person or persons who were required to file such statement shall promptly file or cause to be filed with the Board and send or cause to be sent to the bank at its principal executive office, by registered or certified mail, and to each exchange on which the security is traded an amendment disclosing such change. An acquisition or disposition of beneficial ownership of securities in an amount equal to 1 per cent or more of the class of securities shall be deemed "material" for purposes of this rule; acquisitions or dispositions of less than such amounts may be material, depending upon the facts and circumstances. The requirement that an amendment be filed with respect to an acquisition which materially increases the percentage of the class beneficially owned shall not apply if such acquisition is exempted by Section 13(d)(6)(B) of the Act. Eight copies of each such amendment shall be filed with the Board.

(ii) Form F-11A -- Notwithstanding paragraph (i) of this section, and provided that the person or persons filing a statement pursuant to § 206.4(h)(3)(ii) continues to meet the requirements set forth therein, any person who has filed a short form statement on Form F-11A shall amend such statement within 45 days after the end of each calendar year to reflect, as of the end of the calendar year any changes in the information

reported in the previous filing on that Form, or if there are no changes from the previous filing, a signed statement to that effect under cover of Form F-11A. Eight copies of such amendment, including all exhibits, shall be filed with the Board and one each sent, by registered or certified mail, to the bank at its principal executive office and to the principal national securities exchange where the security is traded. Once an amendment has been filed reflecting beneficial ownership of 5 per cent or less of the class of securities, no additional filings are required unless the person thereafter becomes the beneficial owner of more than 5 per cent of the class and is required to file pursuant to § 206.4(h)(3).

Note: For persons filing a short form statement pursuant to § 206.4(h)(3)(ii), see also § 206.4(h)(3)(iii), (iv) and (v).

§206.4(h)(5)(i) For the purposes of Section 13(d) and 13(g) of the Act, a beneficial owner of a security includes any person who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise has or shares:

(A) Voting power which includes the power to vote, or to direct the voting of, such security; and/or

(B) Investment power which includes the power to dispose or to direct the disposition of such security.

(ii) Any person who, directly or indirectly, creates or uses a trust, proxy, power of attorney, pooling arrangement or any other contract, arrangement, or device with the purpose or effect of divesting such person of beneficial ownership of a security or preventing the vesting

of such beneficial ownership as part of a plan or scheme to evade the reporting requirements of Section 13(d) or 13(g) of the Act shall be deemed for purposes of such sections to be the beneficial owner of such security.

(iii) All securities of the same class beneficially owned by a person, regardless of the form which such beneficial ownership takes, shall be aggregated in calculating the number of shares beneficially owned by such person.

(iv) Notwithstanding the provisions of paragraphs (i) and (iii) of this section:

(A)(1) A person shall be deemed to be the beneficial owner of a security, subject to the provisions of paragraph (ii) of this section, if that person has the right to acquire beneficial ownership of such security, as defined in § 206.4(h)(3)(i), within 60 days, including but not limited to any right to acquire: (a) through the exercise of any option, warrant, or right; (b) through the conversion of a security; (c) pursuant to the power to revoke a trust, discretionary account, or similar arrangement; or (d) pursuant to the automatic termination of a trust, discretionary account or similar arrangement; provided, however, any person who acquires a security or power specified in paragraphs (a), (b) or (c) above, with the purpose or effect of changing or influencing the control of the bank, or in connection with or as a participant in any transaction having such purpose or effect, immediately upon such acquisition shall be deemed to be the beneficial owner of the securities

which may be acquired through the exercise or conversion of such security or power. Any securities not outstanding which are subject to such options, warrants, rights or conversion privileges shall be deemed to be outstanding securities of the class owned by such person but shall not be deemed to be outstanding for the purpose of computing the percentage of the class by any other person.

(2) Paragraph (A)(1) remains applicable for the purpose of determining the obligation to file with respect to the underlying security even though the option, warrant, right or convertible security is of a class of equity security, as defined in § 206.4(h)(3)(i) and may therefore give rise to a separate obligation to file.

(B) A member of a national securities exchange shall not be deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because such member is the record holder of such securities and, pursuant to the rules of such exchange may direct the vote of such securities, without instruction, on other than contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted, but is otherwise precluded by the rules of such exchange from voting without instruction.

(C) A person who in the ordinary course of business is a pledgee of securities under a written pledge agreement shall not be deemed to be the beneficial owner of such pledged securities until the pledgee has taken all formal steps necessary which are required to declare a

default and determines that the power to vote or to direct the vote or to dispose or to direct the disposition of such pledged securities will be exercised, provided that:

(1) The pledgee agreement is bona fide and was not entered into with the purpose nor with the effect of changing or influencing the control of the bank, nor in connection with any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(ii);

(2) The pledgee is a person specified in § 206.4(h)(3)(ii)(A)(2), including persons meeting the conditions set forth in paragraph (h) thereof; and

(3) The pledgee agreement, prior to default, does not grant to the pledgee:

(a) The power to vote or to direct the vote of the pledged securities;
or

(b) The power to dispose or direct the disposition of the pledged securities, other than the grant of such power(s) pursuant to a pledge agreement under which credit is extended subject to Regulation T (12 C.F.R. §§ 220.1 to 220.8) and in which the pledgee is a broker or dealer registered under Section 15 of the Act.

(D) A person engaged in business as an underwriter of securities who acquires securities through his participation in good faith in a firm commitment underwriting registered under the Securities Act of 1933 shall not be deemed to be the beneficial owner of such securities until the expiration of 40 days after the date of such acquisition.

§206.4(h)(6) Any person may expressly declare in any statement filed that the filing of such statement shall not be construed as an admission that such person is, for the purposes of section 13(d) or 13(g) of the Act, the beneficial owner of any securities covered by the statement.

§206.4(h)(7)(i) A person who becomes a beneficial owner of securities shall be deemed to have acquired such securities for purposes of Section 13(d)(1) of the Act, whether such acquisition was through purchase or otherwise. However, executors or administrators of a decedent's estate generally will be presumed not to have acquired beneficial ownership of the securities in the decedent's estate until such time as such executors or administrators are qualified under local law to perform their duties.

(ii)(A) When two or more persons agree to act together for the purpose of acquiring, holding, voting or disposing of equity securities of a bank, the group formed thereby shall be deemed to have acquired beneficial ownership, for purposes of Sections 13(d) and 13(g) of the Act, as of the date of such agreement, of all equity securities of that bank beneficially owned by any such persons.

(B) Notwithstanding the previous paragraph, a group shall be deemed not to have acquired any equity securities beneficially owned by the other members of the group solely by virtue of their concerted actions relating to the purchase of equity securities directly from a bank in a transaction not involving a public offering; provided that:

- (1) All the members of the group are persons specified in § 206.4(h)(3)(ii)(A) (-
- (2) The purchase is in the ordinary course of each member's business and not with the purpose nor with the effect of changing or influencing control of the bank, nor in connection with or as a participant in any transaction having such purpose or effect, including any transaction subject to § 206.4(h)(5)(ii);
- (3) There is no agreement among or between any members of the group to act together with respect to the bank or its securities except for the purpose of facilitating the specific purpose involved; and
- (4) The only actions among or between any members of the group with respect to the bank or its securities subsequent to the closing date of the nonpublic offering are those which are necessary to conclude ministerial matters directly related to the completion of the offer or sale of the securities.

§206.4(h)(8) The acquisition of securities of a bank by a person who, prior to such acquisition, was a beneficial owner of more than 5 per cent of the outstanding securities of the same class as those acquired shall be exempt from Section 13(d) of the Act, provided that:

- (a) The acquisition is made pursuant to preemptive subscription rights in an offering made to all holders of securities of the class to which the preemptive subscription rights pertain;
- (b) Such person does not acquire additional securities except through the exercise of his pro rata share of the preemptive subscription rights; and
- (c) The acquisition is duly reported, if required, pursuant to Section 16(a) of the Act and the rules and regulations thereunder.

2. § 206.5(1) of Regulation F would be amended as follows:

(1) Tender Offers (1) No person, directly or indirectly by use of the mails or any means or instrumentality of interstate commerce or any facility of a national securities exchange or otherwise, shall make a tender offer for, or a request or invitation for tenders of any class of equity security, which is registered pursuant to Section 12 of the Act of any member State bank, if, after consummation thereof, such person would, directly or indirectly, be the beneficial owner of more than 5 per cent of such class, unless, at the time copies of the offer or request or invitation are first published or sent or given to security holders, such person has filed with the Board a statement containing the information and exhibits required by Form F-13. The definition of beneficial owner set forth in 206.4(h)(5) for the purposes of Section 13(d)(1) of the Act shall apply also for purposes of Section 14(d)(1) of the Act.

* * * * *

3. § 206.5(k) of Regulation F would be amended by adding a new paragraph to read as follows:

(5) If management intends to include in the proxy statement a statement in opposition to a proposal received from a proponent, it shall, not later than ten calendar days prior to the date the preliminary copies of the proxy statement and form of proxy are filed pursuant to § 206.5(f) or, in the event that the proposal must be revised to be

includable, not later than five calendar days after receipt by the bank of the revised proposal, promptly forward to the proponent a copy of the statement in opposition to the proposal.

In the event the proponent believes that the statement in opposition contains materially false or misleading statements within the meaning of 206.5(h) and the proponent wishes to bring this matter to the attention of the Board, the proponent should promptly provide the staff with a letter setting forth the reasons for this view and at the same time promptly provide management with a copy of such letter.

4. § 206.41, Form F-1, Item 8, Directors and Officers, would be amended as follows:

ITEM 8 - DIRECTORS AND OFFICERS

The information required by Item 6(a)-(f) of § 206.51 shall be reported pursuant to this Item.

5. § 206.41, Form F-1 (Registration Statement), Item 10, Remuneration of Directors and Officers, and Item 13, Interest of Management and Others in Certain Transactions, would be combined into a new Item 10, Remuneration and Other Transactions With Management and Others, and would read as follows:

ITEM 10 - REMUNERATION AND OTHER TRANSACTIONS

WITH MANAGEMENT AND OTHERS

(a) The information required by Item 7(a),(b), (d),(e),(f) and (g) of § 206.51 shall be reported pursuant to this Item. The information required by § 206.51, Item 7(d), (e) and (f) shall be reported for the past three years.

(b) If the bank was organized within the past five years, furnish the following information:

(1) State the names of the promoters, the nature and amount of anything of value (including money, property, contracts, options or rights of any kind) received or to be received by each promoter directly or indirectly from the bank, and the nature and amount of any assets, services or other consideration therefor received or to be received by the bank.

(2) As to any assets acquired or to be acquired by the bank from a promoter, state the amount at which acquired or to be acquired and the principle followed, or to be followed in determining the amount. Identify the persons making the determination and state their relationship, if any, with the bank or any promoter. If the assets were acquired by the promoter within two years prior to their transfer to the bank, state the cost thereof to the promoter.

6. 206.41, Form F-1 (Registration Statement), Item 11, Management Options to Purchase Securities, would be amended as follows:

ITEM 11 - MANAGEMENT OPTIONS TO PURCHASE SECURITIES

The information required by Item 7(c) of § 206.51 shall be reported pursuant to this Item.

7. § 206.41, Form F-1 (Registration Statement), Item 12, Principal Holders of Securities, would be retitled, Security Ownership of Certain Beneficial Ownership and Management, and would be amended as follows:

ITEM 12 - SECURITY OWNERSHIP OF CERTAIN BENEFICIAL
OWNERS AND MANAGEMENT

The information required by Items 5(d), (e) and (g) of § 206.51, shall be reported pursuant to this Item.

8. § 206.41, Form-F-1 (Registration Statement), Items 14-20 would be redesignated Items 13-19, respectively.

9. § 206.42, Form F-2 (Annual Report), Item 6, Directors of Bank, would be amended follows:

ITEM 6 - DIRECTORS OF BANK

See General Instruction G. Set forth the same information as is required by Item 6(a), (d),(e) and (f) of Form F-5.

10. In § 206.42, Form F-2 (Annual Report), Item 7, Remuneration of Directors and Officers, would be revised to read as follows:

ITEM 7 - REMUNERATION OF DIRECTOR AND OFFICERS AND RELATED MATTERS

See General Instruction G. Set forth the same information as to remuneration of officers and directors and their transactions with management and others as is required to be furnished by Item 7(a) and (b) of Form F-5.

11. In § 206.42, Form F-2 (Annual Report), Item 11, Officers of the Bank, would be revised to read as follows:

ITEM 11 - OFFICERS OF BANK

See General Instruction G. Set forth the same information as to officers of bank as is required to be furnished by Item 6 of Form F-5.

12. In § 206.42, Form F-2 (Annual Report), Item 13, Options Granted to Management to Purchase Securities, would be revised to read as follows:

ITEM 13 - OPTIONS GRANTED TO MANAGEMENT TO PURCHASE SECURITIES

See General Instruction G. Set forth the same information as to options granted to management to purchase securities as is required to be furnished by Item 7(c) of Form F-5.

13. In § 206.42, Form F-2 (Annual Report), Item 14, Interest of Management and Others in Certain Transactions, would be revised to read as follows:

ITEM 14 - INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS.

See General Instruction G. Set forth the same information as to the interest of management and others in certain transactions as is required to be furnished by Item 7(d), (e) and (f) of Form F-5.

14. § 206.43, Form F-3 (Current Report), Item 4, Changes in Bank's Accountant, would be amended by adding a new paragraph (e) which would read as follows:

(e) State whether the decision to change accountants was recommended or approved by:

(1) any audit or similar committee of the Board of Directors, if the bank has such a committee; or

(2) the Board of Directors, if the bank has no such committee.

15. § 206.43, Form F-3 (Current Report), would be amended by adding a new Item 5, Resignation of Bank's Directors, which would read as follows:

ITEM 5 - RESIGNATIONS OF BANK'S DIRECTORS

(a) If a director has resigned or declined to stand for re-election to the Board of Directors since the date of the last annual meeting of shareholders because of a disagreement with the bank on any matter relating to the bank's operations, policies or practices, and if the director has furnished the bank with a letter describing such disagreement and requesting that the matter be disclosed, the bank shall state the date of such resignation or declination to stand for re-election and summarize the director's description of the disagreement.

(b) If the bank believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

(c) The bank shall file a copy of the director's letter as an exhibit with all copies of this Form F-3.

16. § 206.43, Form F-3 (Current Report), Present Item 5, Other Materially Important Events, would be renumbered Item 6. Present Item 6, Financial Statements and Exhibits, would be renumbered Item 7, and would read as follows:

ITEM 7 - FINANCIAL STATEMENTS AND EXHIBITS

* * * * *

(b) Exhibits. Subject to the rules as to incorporation by reference, the following documents shall be filed as exhibits to this report.

1. Copies of any plan of acquisition or disposition described in answer to Item 2, including any plan of reorganization, readjustment, exchange, merger, consolidation or succession in connection therewith.

2. Letters from directors furnished pursuant to Item 5.

17. § 206.44, Form F-4 (Quarterly Report), Item 7, Submission of Matters to a Vote of Security Holders, would be amended by adding a new paragraph (d) and Instruction 6 that would read as follows:

ITEM 7 - SUBMISSION OF MATTERS TO A VOTE FOR SECURITY HOLDERS

* * * * *

(d) Describe the terms of any settlement between the bank and any other participant (as defined in § 206.5(i)) terminating any solicitation subject to § 206.5(i) including the cost or anticipated cost to the bank.

Instructions

* * * * *

6. If the bank has furnished to its security holders proxy soliciting material containing the information called for by paragraph (d), the paragraph may be answered by reference to the information contained in such material.

18. § 206.47, Form F-11, would be amended as follows:

Form for acquisition statement filed pursuant to
§ 206.4(h)(3) and amendments thereto filed pursuant to
§ 206.4(h)(4) of Regulation F

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Washington, D.C. 20551

FORM F-11

ACQUISITION STATEMENT TO BE FILED PURSUANT TO § 206.4(h)(3) or § 206.4(h)(4)
of Regulation F (Amendment No.)

(Name and Address of Bank)

(Title of Class of Securities)

(CUSIP Number)

(Name, Address and Telephone Number or Person Authorized to
Receive Notices and Communications)

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Form F-11A, and is filing this form because of § 206.4(h)(3)(ii)(C) or (D), check the following box [].

NOTE: Eight copies of this form, including all exhibits, should be filed with the Board. See § 206.4(h)(3)(i) for other parties to whom copies are to be sent.

SPECIAL INSTRUCTIONS FOR COMPLYING WITH FORM F-11

Under Sections 13(d) and 23 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, the Board is authorized to solicit the information required to be supplied by this form by certain security holders of certain banks.

Disclosure of the information specified in this schedule is mandatory, except for Social Security or I.R.S. identification numbers, disclosure of which is voluntary. The information will be used for the primary purpose of determining the disclosing the holdings of certain beneficial owners of certain equity securities. This statement will be made a matter of public record. Therefore, any information given will be available for inspection by any member of the public.

Failure to disclose the information requested by this schedule, except for Social Security or I.R.S. identification numbers, may result in civil or criminal action against the persons involved for violation of the Federal securities laws and rules promulgated thereunder.

General Instructions:

A. The item numbers and captions of the items shall be included but the text of the items is to be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

B. Information contained in exhibits to the statement may be incorporated by reference in answer or partial answer to any item or sub-item of the statement unless it would render such answer incomplete, unclear or confusing. Matter incorporated by reference shall be clearly identified in the reference by page, paragraph, caption or otherwise. An express statement that the specified matter is incorporated by reference shall be made at the particular place in the statement where the information is required.

C. If the statement is filed by a general or limited partnership, syndicate, or other group, the information called for by Items 2-6, inclusive, shall be given with respect to (i) each partner of such general partnership; (ii) each partner who is demonstrated as a general partner who functions as a general partner of such limited partnership; (iii) each member of such syndicate or group; and (iv) each person controlling such partner or member. If the statement is filed by a corporation or if a person referred to in (i), (ii), (iii) or (iv) of this instruction is a corporation, the information called for by the above mentioned items shall be given with respect to (a) each executive officer and

director of such corporation; (b) each person controlling such corporation; and (c) each executive officer and director of any corporation or other person ultimately in control of such corporation. Executive officer shall mean the president, secretary, treasurer, and any vice president in charge of a principal business function (such as sales, administration or finance) and any other person who performs or has the power to perform similar policy making functions for the corporation.

Item 1 -- Security and Bank.

State the title of the class of equity securities to which this statement relates and the name and address of the principal office of the bank.

Item 2 -- Identity and Background.

If the person filing this statement or any person enumerated in Instruction C of this statement is a corporation, general partnership, limited partnership, syndicate or other group of persons, state its name, the state or other place of its organization, its principal business, the address of its principal business, the address of its principal office and the information required by (d) and (e) of this item. If the person filing this statement or any person enumerated in Instruction C is a natural person, provide the information specified in (a) through (f) of this Item with respect to such person(s).

(a) Name:

(b) Residence or business address;

(c) Present principal occupation or employment and the name, principal business and address of any corporation or other organization in which such employment is conducted;

(d) Whether or not, during the last five years, such person has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors) and, if so, give the dates, nature of conviction, name and location of court, any penalty imposed, or other disposition of the case.

(e) Whether or not, during the last five years, such person was a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and as a result of such proceeding was or is subject to a judgment, decree or final order enjoining future violation of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws; and, if so, identify and describe such proceedings and summarize the terms of such judgment, decree or final order; and

(f) Citizenship.

Item 3 -- Source and Amount of Funds or Other Consideration.

State the source and the amount of funds or other consideration used or to be used in making the purchases, and if any part of the purchase price is or will be represented by funds or other consideration borrowed or otherwise obtained for the purpose of acquiring, holding, trading

or voting the securities, a description of the transaction and the names of the parties thereto. Where material, such information should also be provided with respect to prior acquisitions not previously reported pursuant to this regulation. If the source of all or any part of the funds is a loan made in the ordinary course of business by a bank, as defined in Section 3(a)(6) of the Act, the name of the bank shall not be made available to the public if the person at the time of filing the statement so requests in writing and files such request, naming such bank, with the Board. If the securities were acquired other than by purchase, describe the method of acquisition.

Item 4 -- Purpose of Transaction.

State the purpose or purposes of the acquisition of securities of the bank. Describe any plans or proposals which the reporting persons may have which related or would result in:

- (a) The acquisition by any person of additional securities of the bank, or the disposition of securities of the bank;
- (b) An extraordinary corporate transaction, such as a merger, reorganization or liquidation, involving the bank or any of its subsidiaries;
- (c) A sale or transfer of a material amount of assets of the bank or of any of its subsidiaries;
- (d) Any change in the present board of directors or management of the bank, including any plans or proposals to change the number or term of directors or to fill any existing vacancies on the board;
- (e) Any material change in the present capitalization or dividend policy of the bank;

(f) Any other material change in the bank's business or corporate structure;

(g) Changes in the bank's charter, bylaws or instruments corresponding thereto or other actions which may impede the acquisition of control of the bank by any person;

(h) Causing a class of securities of the bank to be delisted from a national securities exchange or to cease to be authorized to be quoted in an inter-dealer quotation system of a registered national securities association;

(i) A class of equity securities of the bank becoming eligible for termination of registration pursuant to Section 12(g)(4) of the Act; or

(j) Any action similar to any of those enumerated above.

ITEM 5 - INTEREST IN SECURITIES OF THE BANK

(a) State the aggregate number and percentage of the class of securities identified pursuant to Item 1 (which may be based on the number of securities outstanding as contained in the most recently available filing with the Board by the bank unless the filing person has reason to believe such information is not current) beneficially owned (identifying those shares which there is a right to acquire) by each person named in Item 2. The above mentioned information should also be furnished with respect to persons who, together with any of the persons named in Item 2, comprise a group within the meaning of Section 13(d)(3) of the Act;

(b) For each person named in response to paragraph (a), indicate the number of shares as to which there is sole power to vote or to direct the vote, shared power to vote or to direct the vote, sole power to dispose or to direct the disposition, or shared power to dispose or to direct the disposition. Provide the applicable information required

by Item 2 with respect to each person with whom the power to vote or to direct the vote or to dispose or direct the disposition is shared;

(c) Describe any transactions in the class of securities reported on that were effected during the past sixty days or since the most recent filing on Form F-11, whichever is less, by the persons named in response to paragraph (a).

Instruction. The description of a transaction required by Item 5(c) shall include, but not necessarily be limited to: (1) the identity of the person covered by Item 5(c) who effected the transaction; (2) the date of the transaction; (3) the amount of securities involved; (4) the price per share or unit; and (5) where and how the transaction was effected.

(d) If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five percent of the class, such person should be identified.

(e) If applicable, state the date on which the reporting person ceased to be the beneficial owner of more than five percent of the class of securities.

Instruction. For computations regarding securities which represent a right to acquire an underlying security, see § 206.4(h)(5)(iv) and the note thereto.

Item 6 -- Contracts, Arrangement, Understandings or Relationships
with Respect to Securities of the Bank.

Describe any contracts, arrangements, understandings or relationships (legal or otherwise) among the persons named in Item 2 and between such persons and any person with respect to any securities of the bank, including but not limited to transfer or voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees or profits, division of profits or losses, or the giving or withholding of proxies, and name the persons with whom such contracts, arrangements, understandings or relationships have been entered into. Include such information for any of the securities that are pledged or otherwise subject to a contingency the occurrence of which would give another person voting power or investment power over such securities, except that disclosure of standard default and similar provisions contained in loan agreements need not be included.

Item 7 -- Material to be Filed as Exhibits.

The following shall be filed as exhibits: Copies of written agreements relating to the filing of joint acquisition statements as required by § 206.4(h)(g)(v) and copies of all written agreements, contracts, arrangements, understandings, plans, or proposals relating to: (1) The borrowing of funds to finance the acquisition as disclosed in Item 3; (2) the acquisition of bank control, liquidation, sale of assets, merger, or change in business or corporate structure, or any other matter as disclosed in Item 4; and (3) the transfer or voting of the securities, finder's

fees, joint ventures, options, puts, calls, guarantees of loans, guarantees against loss or of profit, or the giving or withholding of any proxy as disclosed in Item 6.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct:

Date

Signature

Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Board may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Attention: Intentional misstatements or omissions of fact constitute Federal criminal violations (See 18 U.S.C. 1001).

19. Proposed Form F-11A would be added to section 206.48 and would read as follows:

§ 206.48 Short Form for statement filed pursuant to section 206.4(h)(3) and amendments thereto filed pursuant to § 206.4(h)(4) of Regulation F
(Form F-11A)

BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D.C. 20551

FORM F-11A

SHORT FORM OWNERSHIP STATEMENT TO BE FILED PURSUANT TO

§ 206.4(h)(3) or 206.4(h)(4)

(Amendment No.)

(Name of Bank)

(Title of Class of Securities)

(CUSIP Number)

SPECIAL INSTRUCTIONS FOR COMPLYING WITH FORM F-11A

Under Sections 13(d), 13(g), and 23 of the Securities Exchange Act of 1934 and the rules and regulations thereunder, the Board is authorized to solicit the information required to be supplied by this schedule by certain security holders of certain banks.

Disclosure of the information specified in this schedule is mandatory, except for Social Security or I.R.S. identification numbers the disclosure of which is voluntary. The information will be used for the primary purpose of determining and disclosing the holdings of certain beneficial owners of certain equity securities. This statement will be made a matter of public record. Therefore, any information given will be available for inspection by any member of the public.

Failure to disclose the information requested by this schedule, except for Social Security or I.R.S. identification numbers, may result in civil or criminal action against the persons involved for violation of the Federal securities laws and rules promulgated thereunder.

General Instructions:

A. Statements containing the information required by this Form shall be filed not later than February 14 following the calendar year covered by the statement or within the time specified in § 335.4(h)(2)(ii)(B), if applicable.

B. Information contained in a form which is required to be filed by the Securities and Exchange Commission's rules under Section 13(f) of the Act [15 U.S.C. 78m(f)] for the same calendar year as that covered by a statement on this Form may be incorporated by reference in response

to any of the items of this Form. If such information is incorporated by reference in this Form, copies of the relevant pages of such form shall be filed as an exhibit to this Form.

C. The item numbers and captions of the items shall be included but the text of the items is to be omitted. The answers to the items shall be so prepared as to indicate clearly the coverage of the items without referring to the text of the items. Answer every item. If an item is inapplicable or the answer is in the negative, so state.

Item 1(a) Name of Bank:

.....

Item 1(b) Address of Bank's Principal Office:

.....

Item 2(a) Name of Person Filing:

.....

Item 2(b) Address of Principal Business Office or,
if none, Residence:

.....

Item 2(c) Citizenship:

.....

Item 2(d) Title of Class of Securities

.....

Item 3 If this statement is filed pursuant to § 206.4(h)(3)(i)
or 206.4(h)(4)(ii) check whether the person filing
is a:

(a) [] Broker or Dealer registered under Section 15 of the Act

(b) [] Bank as defined in Section 3(a)(6) of the Act

(c) [] Insurance Company as defined in Section 3(a)(19) of the Act

(d) [] Investment Company registered under Section 8 of the Investment Company Act

(e) [] Investment Adviser registered under Section 203 of the Investment Advisers Act of 1940

(f) [] Employee Benefit Plan, Pension Fund which is subject to the provisions of the Employee Retirement Income Security Act of 1974, or Endowment Fund

(g) [] Parent Holding Company, in accordance with § 206.4(h)(3)(ii)(A)(2) (

(Note: See Item 7)

(h) [] Group, in accordance with § 206.4(h)(3)(ii)(A)(2)(h)

ITEM 4 - OWNERSHIP

If the percent of the class owned, as of December 31 of the year covered by the statement, or as of the last day of any month described in § 206.4(h)(3)(B) if applicable, exceeds five percent, provide the following information as of that date and identify those shares for which there is a right to acquire.

- (a) Amount beneficially owned
- (b) Per cent of class
- (c) Number of shares as to which such person has
 - (i) Sole power to vote or to direct the vote
 - (ii) Shared power to vote or to direct the vote
 - (iii) Sole power to dispose or to direct the disposition of
 - (iv) Shared power to dispose or to direct the disposition of

Instruction: for computations regarding securities which represent a right to acquire an underlying security see § 206.4(h)(5)(iv)(A).

ITEM 5 - OWNERSHIP OF FIVE PER CENT OR LESS OF A CLASS

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five per cent of the class of securities, check the following [].

Instructions: Dissolution of a group requires a response to this item.

ITEM 6 - OWNERSHIP OF MORE THAN FIVE PER CENT

ON BEHALF OF ANOTHER PERSON

If any other person is known to have the right to receive or the power to direct the receipt of dividends from, or the proceeds from the sale of, such securities, a statement to that effect should be included in response to this item and, if such interest relates to more than five per cent of the class, such person should be identified. A listing

of the shareholders of an investment company registered under the Investment Company Act of 1940 or the beneficiaries of employee benefit plan, pension fund or endowment fund is not required.

ITEM 7 - IDENTIFICATION AND CLASSIFICATION OF THE
SUBSIDIARY WHICH ACQUIRED THE SECURITY BEING
REPORTED ON BY THE PARENT HOLDING COMPANY

If a parent holding company has filed this schedule, pursuant to § 206.4(h)(3)(ii)(A)(2)(g), so indicate under Item 3(g) and attach an exhibit stating the identity and the Item 3 classification of the relevant subsidiary. If a parent holding company has filed this schedule pursuant to § 206.4(h)(2)(ii), attach an exhibit stating the identification of the relevant subsidiary.

ITEM 8 - IDENTIFICATION AND CLASSIFICATION OF
MEMBERS OF THE GROUP

If a group has filed this schedule pursuant to § 206.4(h)(3)(ii)(A)(2)(h), so indicate under Item 3(h) and attach an exhibit stating the identity and Item 3 classification of each member of the group. If a group has filed this schedule pursuant to § 206.4(h)(3)(iii), attach an exhibit stating the identity of each member of the group.

ITEM 9 - NOTICE OF DISSOLUTION OF GROUP

Notice of dissolution of a group may be furnished as an exhibit stating the date of the dissolution and that all further filings with respect to transactions in the security reported on will be filed, if required, by members of the group in their individual capacity. See Item 5.

ITEM 10 - CERTIFICATION

The following certification shall be included if the statement is filed pursuant to § 206.4(h)(3)(ii).

By signing below I certify that, to the best of my knowledge and belief, the securities referred to above were acquired in the ordinary course of business and were not acquired for the purpose of and do not have the effect of changing or influencing the control of the bank and were not acquired in connection with or as a participant in any transaction having such purposes or effect.

Signature.

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

.....

Date

.....

Signature

.....

Name/Title

The original statement shall be signed by each person on whose behalf the statement is filed, or by his authorized representative. If the statement is signed on behalf of a person by his authorized representative (other than an executive officer or general partner of the

filing person), evidence of the representative's authority to sign on behalf of such person shall be filed with the statement. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

Note: Eight copies of this statement, including all exhibits, should be filed with the Board.

20. § 206.51, Form F-5 (Proxy Statement), Item 3, Persons Making the Solicitation, would be amended follows:

ITEM 3 - PERSONS MAKING THE SOLICITATION

(a) * * *

(b) * * *

(6) If any such solicitation is terminated pursuant to a settlement between the bank and any other participant in such solicitation, describe the terms of such settlement, including the cost or anticipated cost thereof to the bank.

Instructions. 1. * * *

2. The information required pursuant to paragraph (b) (6) of this Item should be included in any amended or revised proxy statement or other soliciting material relating to the same meeting or subject matter furnished to security holders by the bank subsequent to the date of settlement.

21. § 206.51, Form F-5 (Proxy Statement), Item 5, Voting Securities and Principal Holders Thereof, would be amended as follows:

ITEM 5 - VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

- (a) * * *
- (b) * * *
- (c) * * *

(d) Security ownership of certain beneficial owners.

Furnish the following information as of the most recent practicable date in substantially the tabular form indicated, with respect to any person (including any "group" as the term is used in Section 13(d)(3) of the Securities Exchange Act of 1934) who is known to the bank to be the beneficial owner of more than five per cent of any class of the bank's securities. Show in Column (3) the total number of shares beneficially owned and in Column (4) the percent of class so owned. Of the number of shares shown in Column (3), indicate by footnote or otherwise the amount of shares with respect to which such listed beneficial owner has the right to acquire beneficial ownership, as specified in §206.4(h)(5)(iv)(A).

(1)	(2)	(3)	(4)
Title	Name and	Amount of	Percent
of	Address of	and Nature of	of
Class	Beneficial	Beneficial	Class
	Owner	Ownership	

(e) Security ownership of management. Furnish the following information, as of the most recent practicable date in substantially the tabular form indicated, as to each class of equity securities of the bank or any of its parents or subsidiaries, other than directors' qualifying shares, beneficially owned by all directors and nominees, naming them, and directors and officers of the bank as a group, without naming them. Show in Column (2) the total number of shares beneficially owned and Column (3) the per cent of class so owned. Of the number of shares shown in Column (2), indicate, by footnote or otherwise the amount of shares with respect to which such persons have the right to acquire beneficial ownership as specified in § 206.4(h)(5)(iv)(A).

(1)	(2)	(3)
Title of Class	Amount and Nature of Beneficial Ownership	Per cent of Class

Instructions to Item 5(d)(e) and (f). 1. The percentages are to be calculated on the basis of the amount of outstanding securities, excluding securities held by or for the account of the bank or its subsidiaries, plus securities deemed outstanding pursuant to § 206.4(h)(5)(iv)(A).

2. For the purposes of this item, beneficial ownership shall be determined in accordance with § 206.4(h)(5). Include such additional

subcolumns or any other appropriate explanation of Column (3) necessary to reflect amounts as to which the beneficial owner has (1) sole voting power, (2) shared voting power, (3) sole investment power, and (4) shared investment power.

3. The bank shall be deemed to know the contents of any statement filed with the Board pursuant to Section 13(d) of the Act.

When applicable, a bank may rely upon information set forth in such statements unless the bank knows or has reason to believe that such information is not complete or accurate, or that a statement or amendment should have been filed and was not.

4. For purposes of furnishing information pursuant to paragraph (d), the bank may indicate the source and date of such information.

5. Where more than one beneficial owner is known to be listed for the same securities, appropriate disclosure should be made to avoid confusion.

(f) If, to the knowledge of the persons on whose behalf the solicitation is made, a change in control of the bank has occurred since the beginning of its last fiscal year, state the name of the person(s) who acquired such control, the amount and the source of the consideration used by such person(s), the basis of the control, the date and a description of the transaction(s) which resulted in the change of control, the percentage of voting securities of the bank now beneficially owned directly or indirectly by the person(s) who acquired control, and the identity of the person(s) from whom control was assumed. If the source of all or

any part of the consideration used is a loan made in the ordinary course of business by a bank as defined by Section 3(a)(6) of the Act, the identity of such bank shall be omitted provided a request for confidentiality has been made pursuant to Section 13(d)(1)(B) of the Act by the person(s) who acquired control. In lieu thereof, the material shall indicate the identity of the bank so omitted and shall be filed separately with the Board. If the source of all or any part of the funds used to acquire control of the bank was a loan made by a bank as defined by section 3(a)(6) of the Act indicate whether there exists any agreement, arrangement or understanding pursuant to which the bank maintains or would maintain a correspondent deposit account at such lending bank.

Instructions. 1. State the terms of any loans or pledges obtained by the new control group for the purpose of acquiring control, and the names of the lenders or pledgees.

2. Any arrangement or understandings among members of both the former and new control groups and their associates with respect to the election of directors and other matters should be described.

(g) Changes in Control. Describe any arrangements, known to the bank, including any pledge by any person of securities of the bank or any of its parents, the operation of which may at a subsequent date result in a change in control of the bank. A description is not required of ordinary default provisions contained in any charter, trust indentures or other governing instruments relating to securities of the bank.

22. § 206.51, Form F-5 (Proxy Statement), Item 6, Nominees and Directors, would be retitled Directors and Officers, and amended as follows:

ITEM 6 - DIRECTORS AND OFFICERS

If action is to be taken with respect to election of directors, furnish the following information in tabular form to the extent practicable, with respect to each person nominated for election as a director and each other person whose term of office as a director will continue after the meeting. However, if the solicitation is made on behalf of persons other than management, the information required need only be furnished as to nominees of the persons making the solicitation.

(a) Identification of directors and officers. List all directors and officers of the bank and all persons nominated or chosen to become directors or officers. Indicate all positions and offices with the bank held by each person named. State the age of the persons named, their terms of office, and the periods during which each such person has served. Briefly describe any arrangement or understanding between each director and officer and any other person pursuant to which such director or officer was selected to serve in that capacity. The term officer is defined in §206.2.

Instructions.

(1) Do not include any arrangements or understandings with directors or officers of the bank acting solely in their capacities as such.

2. No nominee or person chosen to become a director or who has not consented to act as such should be named in response to this item. In this regard, see § 335.5(d).

3. No information need be given respecting any director whose term of office as a director will not continue after the meeting to which the statement relates.

4. In connection with action to be taken concerning the election of directors, if fewer nominees are named than the number fixed by or pursuant to the governing instruments, state the reasons for this procedure and that the proxies cannot be voted for a greater number of persons than the number of nominees named.

5. With regard to proxy statements in connection with action to be taken concerning the election of directors, if the solicitation is made by persons other than management, information should be given as to nominees of the persons making the solicitation. In all other instances, information should be given as to directors and persons nominated for election or chosen by management to become directors.

(b) Identification of certain significant employees. Where the bank employs persons such as special consultants or attorneys who are not officers, but who make or are expected to make significant contributions to the business of the bank, such persons should be identified and their background disclosed to the same extent as in the case of officers.

(c) Family relationships. State the nature of any family relationships between any director, officer, or person nominated or chosen by the bank to become a director or officer.

Instructions. The term "family relationships" means any relationship by blood, marriage, or adoption, not more remote than first cousin.

(d) Business experience. (1) Give a brief account of the business experience during the past five years of each director, officer or person nominated or chosen to become a director or officer, and each person named in answer to paragraph (b), including principal occupations and employment during that period, and the name and principal business of any corporation or other organization in which such occupations and employment were carried on. When an officer or person named in response to paragraph (b), has been employed by the bank or a subsidiary of the bank for less than five years, a brief explanation should be included as to the nature of the responsibilities undertaken by the individual in prior positions in order to provide adequate disclosure of his prior business experience. What is required is information relating to the level of his professional competence which may include, depending upon the circumstances, such specific information as the size of the operation

supervised. (2) Indicate any other directorship held by each director or person chosen to become a director in any company with a class of securities registered pursuant to Section 12 of the Act.

(e) Involvement in certain legal proceedings. Describe any of the following events which occurred during the past five years and which are material to an evaluation of the ability or integrity of any director, officer or person chosen or nominated to become a director or officer of the bank:

(1) A petition under the Bankruptcy Act or any state insolvency law was filed by or against such person, or a receiver, fiscal agent or similar officer was appointed by a court for the business or property of such person, or any partnership in which he was a general partner at or within two years before the time of such filing, or any corporation or business association of which he was an executive officer at or within two years before the time of such filing;

(2) Such person was convicted in a criminal proceeding or is a named subject of a pending criminal proceeding (excluding traffic violations and other minor offenses);

(3) Such person was the subject of any order, judgment, or decree, not subsequently reversed, suspended or vacated, of any court of competent jurisdiction permanently or temporarily enjoining him from, or otherwise limiting the following activities:

(i) acting as an investment adviser, underwriter, broker or dealer in securities, or as an affiliated person, director or employee of any investment company, bank, savings and loan association or insurance company, or engaging in or continuing any conduct or practice in connection with such activity;

(ii) engaging in any type of business practice; or

(iii) engaging in any activity in connection with the purchase or sale of any security or in connection with any violation of federal or state securities laws.

(4) Such person was the subject of any order, judgment or decree, not subsequently reversed, suspended or vacated, of any federal or state authority barring, suspending or otherwise limiting for more than 60 days the right of such person to engage in any activity described in subparagraph (3), above, or to be associated with persons engaged in any such activity.

(5) Such person was found by a court of competent jurisdiction in a civil action, or by a government agency, to have violated any federal or state securities law, and the judgment in such civil action or finding by the government agency has not been subsequently reversed, suspended, or vacated.

Instructions. 1. For purposes of computing the five year period referred to in this paragraph, the date of a reportable event shall be deemed the date on which the final order, judgment or decree was entered, or the date on which any rights of appeal from preliminary orders, judgments, or decrees have lapsed. With respect to bankruptcy petitions, the computation date shall be the date of filing for uncontested petitions or the date upon which approval of a contested petition became final.

2. If any event specified in this subparagraph (e) has occurred and information in regard thereto is omitted on the ground that it is not material, the bank may furnish to the Board at the time of filing, as supplemental information and not as part of the statement, materials to which the omission relates, a description of the event, and a statement of the reasons for the omission of information in regard thereto.

3. The bank is permitted to explain any mitigating circumstances associated with events reported pursuant to this paragraph.

4. If the information called for by Item 6(e) is being presented in a proxy or information statement, no information need be given respecting any director whose term in office as director will not continue after the meeting to which the statement relates.

(f) Describe any of the following relationships which exist:

(1) If the nominee or director has during the past five years had a principal occupation or employment with any of the bank's parents, subsidiaries or other affiliates;

(2) If the nominee or director is related to an officer of any of the bank's parents, subsidiaries or other affiliates by blood, marriage or adoption (except relationships more remote than first cousin);

(3) If the nominee or director is, or has within the last two full fiscal years been, an officer, director or employee of, or owns, or has within the last two full fiscal years owned, directly or indirectly, in excess of 1 percent equity interest in any firm, corporation or other business or professional entity:

(i) Which has made payments to the bank or its subsidiaries for property or services during the bank's last full fiscal year in excess of 1 percent of the bank's consolidated gross revenues for its last full fiscal year;

(ii) Which proposes to make payments to the bank or its subsidiaries for property or services during the current fiscal year in excess of 1 percent of the bank's consolidated gross revenues for its full fiscal year;

(iii) To which the bank or its subsidiaries were indebted at any time during the bank's fiscal year in an aggregate amount in excess of 1 percent of the bank's total consolidated assets at the end of such fiscal year or \$5,000,000, whichever is less;

(iv) To which the bank or its subsidiaries have made payments for property or services during such entity's last full fiscal year in excess of 1 percent of such entity's gross revenues for its last full fiscal year;

(v) To which the bank or its subsidiaries propose to make payments for property or services during such entity's current fiscal year in excess of 1 percent of such entity's consolidated gross revenues for its last full fiscal year;

(vi) In order to determine whether payments made or proposed to be made exceed 1 percent of the consolidated gross revenues of any entity other than the bank for such entity's last full fiscal year, it is appropriate to rely on information provided by the nominee or director;

(vii) In calculating payments for property and services the following may be excluded:

(A) Payments where the rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a public utility at rates or charges fixed in conformity with law or governmental authority;

(B) Payments which arise solely from the ownership of securities of the bank and no extra or special benefit not shared on a pro rata basis by all holders of the class of securities is received;

(viii) In calculating indebtedness for purposes of subparagraph (iii) above, debt securities which have been publicly offered, admitted to trading on a national securities exchange, or quoted on the automated quotation system of a registered securities association may be excluded.

(4) That the nominee or director is a member or employee of, or is associated with, a law firm which the bank has retained in the last two full fiscal years or proposes to retain in the current fiscal year;

(5) That the nominee or director is a control person of the bank (other than solely as a director of the bank).

(6) In addition, the bank should disclose any other relationships it is aware of between the director or nominee and bank or its management which are substantially similar in nature and scope to those relationships listed above.

NOTE--In the Board's view, where significant business or personal relationships exist between the director or nominee and the bank or its management, including, but not limited to, those as to which disclosure would be required pursuant to item 6(b), characterization of a director or nominee by any "label" connoting a lack of relationship to the issuer and its management may be materially misleading.

(g)(1) Committees. State whether or not the bank has standing audit, nominating and compensation committees of the Board of Directors, or committees performing similar functions. If the bank has such committees,

however designated, identify each committee member, state the number of committee meetings held by each such committee during the last fiscal year and describe briefly the functions performed by such committees.

(2) (a) If the bank has a nominating or similar committee, state whether the committee will consider nominees recommended by shareholders and, if so;

(b) describe the procedures to be followed by shareholders in submitting such recommendations.

(h) Director Attendance. State the total number of meetings of the Board of Directors (including regularly scheduled and special meetings) which were held during the last full fiscal year. Name each incumbent director who during the last full fiscal year attended fewer than 75 percent of the aggregate of (1) the total number of meetings of the board of directors (held during the period for which he has been a director) and (2) the total number of meetings held by all committees of the board on which he served (during the periods that he served).

(i) Resignation of Directors. If a director has resigned or declined to stand for re-election to the board of directors since the date of the last annual meeting of shareholders because of a disagreement with the bank on any matter relating to the bank's operations, policies or practices, and if the director has furnished the bank with a letter describing such disagreement and requesting that the matter be disclosed, the bank shall state the date of resignation or declination to stand for re-election and summarize the director's description of the disagreement.

(j) If the bank believes that the description provided by the director is incorrect or incomplete, it may include a brief statement presenting its views of the disagreement.

23. § 206.51, Form F-5 (Proxy Statement), Item 7, Remuneration and Other Transactions With Management and Others, would be amended as follows:

ITEM 7 - REMUNERATION AND OTHER TRANSACTIONS
WITH MANAGEMENT AND OTHERS

Furnish the information called for by this item if action is to be taken with respect to (i) the election of directors, (ii) any bonus, profit sharing or other remuneration plan, contract or arrangement in which any director, nominee for election as a director, or officer of the bank will participate, (iii) any pension or retirement plan in which any such person will participate, or (iv) the granting or extension to any such person of any options, warrants or rights to purchase any securities, other than warrants or rights issued to security holders, as such, on a pro rata basis. However, if the solicitation is made on behalf of persons other than the management, the information required need be furnished only as to nominees for election as directors and as to their associates.

(a) Current remuneration. Furnish the information required in the table below, in substantially the tabular form as specified, concerning all remuneration of the following persons and group for services in all capacities to the bank during the bank's last fiscal year.

(1) Five officers or directors. Each of the five most highly compensated officers or directors of the bank as to whom the total remuneration required to be disclosed in Columns C1 and C2, below, would exceed \$50,000, naming each such person: and

(2) All officers and directors. All officers and directors of the bank as a group, stating the number of persons in the group without naming them.

(3) Specified Tabular Format

Remuneration Table

(A)	(B)	(C)	(D)
Name of individual or number of persons in group	Capacities in which served	Cash and cash-equivalent forms of remuneration	Aggregate of contingent forms of remuneration
	(C1)	(C2)	
	Salaries, fees directors' fees, commissions, and bonuses	Securities or property, insurance benefits or reimbursement, personal benefits	

Instructions to Item 7(a). 1. Columns A and B. Persons subject to this item. (a) This item applies to any person who was an officer or director of the bank at any time during the fiscal year. However, information need not be given for any portion of the period during which such person was not an officer or director of the bank, provided a statement to that effect is made. (b) The term officer is defined in § 206.2(q) (c) For the purposes of this item "bank" shall include the bank and all its subsidiaries.

2. Column C (a) Column C1 shall include all cash remuneration distributed or accrued in the form of salaries, fees, directors' fees, commissions and bonuses.

(b) Column C2 should include the following: (i) Securities or property. Where any of the specified persons or group (a) exercises any option, right or similar election in connection with any contract, agreement, plan or arrangement, or (b) becomes entitled without further contingencies to retain securities or property, state the spread between the acquisition price, if any, and the fair market price of all securities or property acquired under any contract, agreement, plan or arrangement. The fair market price of any such securities or property shall be determined as of the date during the fiscal year that either of the events in (a) or (b) of this paragraph occurs, or if both events are contemplated, the date of the latter event.

(ii) Personal benefits. (a) The value of personal benefits which are not directly related to job performance, which are furnished by the bank directly or through third parties to each of the specified persons and group, or benefits furnished by the bank to other persons which indirectly benefit the specified persons. Such personal benefits shall include the costs of any premiums or benefits paid by the bank for any life or health insurance policy or health plan of which bank is not the sole beneficiary. Such benefits shall be valued on the basis of the aggregate actual cost to the bank. Information need not be furnished for any such benefit provided by the bank which does

not discriminate in favor of officers or directors and which is available generally to all salaried employees. (b) No disclosure need be included as to any person named in the remuneration table if the aggregate amount of all personal benefits to such person did not exceed \$5,000. If disclosure of such amounts is not made, a statement to that effect should be added in a footnote to the table. (c) If the bank cannot determine the actual cost of personal benefits for a specified person without unreasonable effort or expense, include a reasonable estimate of the cost of the personal benefit to the bank. If the bank cannot reasonably allocate the extent to which the benefit is personal, include the aggregate cost to the bank and estimate the percentage of cost attributable to personal use. If an estimate is made, disclose the factors upon which the estimate is based. (d) Please provide in a statement following the table a description of the bank's policies and practices with respect to providing personal benefits to officers, directors, or principal shareholders. Describe the type of benefits provided and the basis for selection of the recipients.

3. Column D. Column D shall include remuneration of the specified persons and group in whole or in part for services rendered during the latest fiscal year (including the forms of remuneration described in paragraph (a) through (c) below) if the distribution of such remuneration or the unconditional vesting or measurement of benefits thereunder is subject to future events.

Footnote Disclosure. If, as to a person named in the table, an amount representing personal benefits included in Column C2 exceeds 10% of the aggregate amount disclosed in Columns C1 and C2 or \$25,000, whichever is less, include a footnote to the table stating the dollar amount or percentage of Column C2 represented by such personal benefits and briefly describing such benefits.

(a) Pensions or retirement plans; annuities; employment contracts; deferred compensation plans.

(i) As to each of the specified persons and group, the amount expended for financial reporting purposes by the bank for the year which represents the contribution, payment, or accrual for the account of any such person or group under any existing pension or retirement plans, annuity contracts, deferred compensation plans, or any other similar arrangements. Such amounts should be reflected as remuneration for the fiscal year under all such plans or arrangements, including plans qualified under the Internal Revenue Code, unless in the case of a defined benefit or actuarial plan, the amount of the contribution, payment, or accrual in respect to a specified person is not and cannot readily be separately or individually calculated by the regular actuaries for the plan.

(ii) If amounts are excluded from the table pursuant to the previous provision, include a footnote to the table: (a) stating the fact; (b) disclosing the percentage which the aggregate contributions to the plan bear to the total remuneration of plan participants covered by such plan; and (c) briefly describing the remuneration covered by the plan.

(b) Incentive and compensation plans and arrangements

(1) With respect to stock options, stock appreciation rights plans, phantom stock plans and any other incentive or compensation plan or

arrangement pursuant to which the measure of benefits is based on objective standards or on the value of securities of the bank or another person granted, awarded or entered into at any time in connection with services to the bank, include as remuneration of each of the specified persons and group any attributable amount expensed by the bank for financial reporting purposes for the fiscal year as remuneration for any such person or group.

(2) Where amounts are expensed and reported in the remuneration table, and amounts are credited in a subsequent year in connection with the same plan or arrangement for any proper reason including a decline in the market price of the securities, such credit may be reflected as a reduction of the remuneration reported in Column D. If amounts credited are reflected in the table, include a footnote stating the amount of the credit and briefly describe such treatment.

(3) The term "options" as used in this item includes all options, warrants, or rights, other than those issued to security holders as such on a pro rata basis.

(c) Stock purchase plans; profit sharing and thrift plans. Include the amount of any contribution, payment or accrual for the account of each of the specified persons and groups under any stock purchase, profit sharing, thrift, or similar plans which has been expensed during the fiscal year by the bank for financial reporting purposes. Amounts reflecting contributions under plans qualified under the Internal Revenue Code may not be excluded.

4. Other permitted disclosure. The bank may provide additional disclosure through a footnote to the table, through additional columns, or otherwise, describing the components of aggregate remunerations in such greater detail as is appropriate.

5. Definition of "Plan." The term "plan" as used in this item includes all plans, contracts, authorizations, or arrangements whether or not set forth in any formal documents.

6. Transactions with third parties. Item 7(a), among other things, includes transactions between the bank and a third party when the primary purposes of the transaction is to furnish remuneration to the persons specified in Item 7(a). Other transactions between the bank and third parties in which persons specified in Item 7(a) have an interest, or may realize a benefit, generally are addressed by other disclosure requirements concerning the interest of management and others in certain transactions. Item 7(a) does not require disclosure of remuneration paid to a partnership in which any officer or director was a partner;

any such transactions should be disclosed pursuant to these other disclosure requirements, and not as a note to the remuneration table presented pursuant to Item 7(a).

(b) Proposed remuneration. Briefly describe all remuneration payments proposed to be made in the future pursuant to any existing plan or arrangement to the persons and group specified in Item 7(a). As to defined benefit or actuarial plans, with respect to which amounts are not included in the table pursuant to Instruction 3(a) to Item 7(a), include a separate table showing the estimated annual benefits payable upon retirement to persons in specified remuneration and years-of-service classification.

Instruction. Information need not be furnished with respect to any group life, health, hospitalization, or medical reimbursement plans which do not discriminate in favor of officers or directors of the bank and which are available generally to all salaried employees.

(c) Options, warrants, or rights. Furnish the following information as to all options to purchase any securities from the bank which were granted to or exercised by the following persons since the beginning of the bank's last fiscal year, and as to all options held by such persons as of the latest practicable date: (i) each director or officer named in answer to paragraph (a)(1), naming each such person; and (ii) all directors and officers of the bank as a group, without naming them;

(1) As to options granted during the period specified state:

(i) the title and aggregate amount of securities called for; (ii) the

average option price per share; and (iii) if the option price was less than 100 percent of the market value of the security on the date of grant, state such fact, and the market price on such date, shall be disclosed.

(2) As to options exercised during the period specified, state (i) the title and aggregate amount of securities purchased; (ii) the aggregate purchase price; and (iii) the aggregate market value of the securities purchased on the date of purchase.

(3) As to all unexercised options held as of the latest practicable date (state date), regardless of when such options were granted, state (i) the title and aggregate amount of securities called for, and (ii) the average option price per share.

Instructions. 1. The term "options" as used in this paragraph (c) includes all options, warrants or rights, other than those issued to security holders as such on a pro rata basis. Where the average option price per share is called for, the weighted average price per share shall be given.

2. The extension, regranting or material amendment of options shall be deemed the granting of options within the meaning of this paragraph.

3. (i) Where the total market value on the granting dates of the securities called for by all options granted during the period specified does not exceed \$10,000 for any officer or director named

in answer to paragraph (a) (1), or \$40,000 for all officers and directors as a group, this item need not be answered with respect to options granted to such persons or group. (ii) Where the total market value on the dates of purchases of all securities purchased through the exercise of options during the period specified does not exceed \$10,000 for any such period or \$40,000 for such group, this item need not be answered with respect to options exercised by such person or group. (iii) Where the total market value as of the latest practicable date of the securities called for by all options held at such time does not exceed \$10,000 for any such person or \$40,000 for such group, this item need not be answered with respect to options held as of the specified date by such person or group.

4. If the options relate to more than one class of securities the information shall be given separately for each such class.

(d) Indebtedness of management. (1) State as to each of the following persons, herein called specified persons, who was indebted to the bank at any time since the beginning of its last fiscal year: (a) the largest aggregate amount of indebtedness, including extensions of credit or overdrafts, endorsements or guarantees outstanding (in dollar amounts and as a percentage of total equity capital accounts at the time) at any time during such period; (b) the nature of the indebtedness and of the transaction in which it was incurred; (c) the amount thereof outstanding as of the latest practicable date; and (d) the rate of interest paid or charges thereon:

- (i) each director or officer of the bank;
- (ii) each nominee for election as director;
- (iii) each security holder who is known to bank to own of record or beneficially more than five per cent of any class of the bank's voting securities;
- (iv) each associate of any such director, officer, nominee or principal security holder.

Instructions. 1. Include the name of such person whose indebtedness is described and the nature of the relationship by reason of which the information is required to be given.

2. Generally, no information need be given under this Item 7(d), unless any of the following are present:

- (a) such extensions of credit are not made on substantially the same terms, including interest rates, collateral and repayment terms, as those prevailing at the time for comparable transactions with other than the specified persons.
- (b) such extensions of credit were not made in the ordinary course of business.
- (c) such extensions of credit have involved or presently involve more than a normal risk of collectibility or other unfavorable features

including the restructuring of an extensions of credit or a delinquency as to payment of interest or principal.

(d) the aggregate amount of extensions of credit outstanding at any time from the beginning of the last fiscal year to date to a specified person together with his associates, exceeded 10 per cent of the equity capital accounts of the bank at that time or \$5 million, whichever is less.

(2) If any extension of credit to the specified persons as a group exceeded 20 per cent of the equity capital accounts of the bank at any time since the beginning of the last full fiscal year to date, disclose the maximum aggregate amount of extensions of credit to the group during the period, the aggregate amount as a percentage of the equity capital accounts of the bank and include a statement, to the extent applicable, that the bank has had, and expects to have in the future, banking transactions in the ordinary course of its business with directors, officers, principal stockholders and their associates, on the same terms, including interest rates, collateral and repayment terms on extensions of credit, as those prevailing at the same time for comparable transactions with others.

3. If any indebtedness required to be described arose under Section 16(b) of the Act and has not been discharged by payment, state the amount of any profit realized, that such profit will inure to the benefit of the bank or its subsidiaries and whether suit will be brought or other steps taken to recover such profit. If in the opinion of counsel a question reasonably exists as to the recoverability of such profit,

it will suffice to state all facts necessary to describe the transaction, including the prices and number of shares involved.

4. Notwithstanding the foregoing, any transaction or series of transactions resulting in indebtedness to the bank or its subsidiaries which may be considered material should be disclosed.

5. If the information called for by Item 7(d) is being presented in Form F-1, § 206.41, the information called for shall be presented for the last three full fiscal years.

(e) Transactions With Management. Describe briefly any transaction since the beginning of the bank's last full fiscal year or any presently proposed transactions, to which the bank or any of its subsidiaries was or is to be a party, in which any of the specified persons in Item 7(d) had or is to have a direct or indirect material interest, naming such person and stating his relationship to the bank, the nature of his interest in the transaction and, where practicable, the amount of such interest.

Instructions. 1. No information need be given in response to this Item 7(e) as to any remuneration or other transaction reported in response to Item 7(a), (b), (c) or (d), or as to any transaction with respect to which information may be omitted pursuant to Instruction 2 to Item 7(c) or Instruction 2 or 3 to Item 7(d). Instruction 2 to Item 7(a) applies to this Item 7(e).

2. No information need be given in answer to this Item 7(e) as to any transaction where:

(a) The rates or charges involved in the transaction are determined by competitive bids, or the transaction involves the rendering of services as a common or contract carrier, or public utility, at rates or charges fixed in conformity with law or governmental authority;

(b) The transaction involves services as a bank depository of funds, transfer agent, registrar, trustee under an indenture, or similar services;

(c) The amount involved in the transaction or series of similar transactions, including all periodic installments in the case of any lease or other agreement providing for period payments or installments, does not exceed \$40,000 for the term of each transaction or series of transactions; or

(d) The interest of the specified person arises solely from the ownership of securities of the bank and the specified person receives no extra or special benefit not shared on a pro rata basis by all holders of securities of the class.

3. It should be noted that this item calls for disclosure of indirect, as well as direct, material interests in transactions. A person who has a position or relationship with a firm, corporation, or other entity, which engages in a transaction with the bank may have an indirect

interest in such transaction by reason of such position or relationship. However, a person shall be deemed not to have a material indirect interest in a transaction within the meaning of this Item 7(e) where:

(a) the interest arises only (i) from such person's position as a director of another corporation or organization (other than a partnership) which is a party to the transaction, or (ii) from the direct or indirect ownership by such person and all other persons specified in subparagraphs (1) through (4) above, in the aggregate, of less than a 10 per cent equity interest in another person (other than a partnership) which is a party to the transaction, or (iii) from both such position and ownership;

(b) the interest arises only from such person's position as a limited partner in a partnership in which he and all other persons specified in (1) through (4) above had an interest of less than 10 per cent; or

(c) the interest of such person arises solely from the holding of an equity interest (including a limited partnership interest but excluding a general partnership interest) or a creditor interest in another person which is a party to the transactions with the bank and the transaction is not material to such other person.

4. The amount of the interest of any specified person shall be computed without regard to the amount of the profit or loss involved

in the transaction. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction will be indicated.

5. In describing any transaction involving the purchase or sale of assets by or to the bank, otherwise than in the ordinary course of business, state the cost of the assets to the purchaser and, if acquired by the seller within two years prior to the transaction, the cost thereof, to the seller.

6. If the information called for by Item 7(e) is being presented in Form F-1, §206.41, the period for which the information called for shall be presented for the previous three years.

7. Include the name of each person whose interest in any transaction is described and the nature of the relationship by reason of which such interest is required to be described. Where it is not practicable to state the approximate amount of the interest, the approximate amount involved in the transaction shall be indicated.

8. Information shall be furnished in answer to this item with respect to transactions not excluded above which involve remuneration from the bank directly or indirectly, to any of the specified persons for services in any capacity unless the interest of such persons arises solely from the ownership individually and in the aggregate of less than 10 per cent of any class of equity securities of another corporation furnishing the services to the bank.

9. The foregoing instructions specify certain transactions and interests as to which information may be omitted in answering this item. These may be situations where, although the foregoing instructions do not expressly authorize nondisclosure, the interest of a specified person in the particular transaction or series of transactions is not a mutual interest. In that case, information regarding such interest and transaction is not required to be disclosed in response to this item. The materiality of any interest or transaction is to be determined on the basis of the significance of the information to investors in light of all of the circumstances of the particular case. The importance of the interest to the person having the interest, the relationship of the parties to the transaction to each other and the amount involved in the transaction are among the factors to be considered in determining the significance of the information to investors.

(f) Transactions with pension or similar plans. Describe briefly any transactions since the beginning of the bank's last full fiscal year or any presently proposed transactions, to which any pension, retirement, savings or similar plan provided by the bank, or any of its parents or subsidiaries was or is to be a party, in which any of the specified persons in Item 7(d) had or is to have a direct or indirect material interest, naming such person and stating his relationship to the bank, the nature of his interest in the transaction and, where practicable, the amount of such interest.

Instructions. 1. Instructions 2, 3, 4 and 5 to Item 7(e) shall apply to this Item 7(f).

2. Without limiting the general meaning of the term "transaction" there shall be included in answer to this Item 7(f) any remuneration received or any loans received or outstanding during the period, or proposed to be received.

3. No information need be given in answer to paragraph (f) with respect to:

(a) payments to the plan, or payments to beneficiaries, pursuant to the terms of the plan;

(b) payment of remuneration for services not in excess of 5 per cent of the aggregate remuneration received by the specified person during the bank's last fiscal year from the bank; or

(c) any interest of the bank which arises solely from its general interest in the success of the plan.

(g) Legal Proceedings. Any material proceedings to which any director, officer or affiliate of the bank, and persons holding in excess of five per cent of the bank's outstanding stock, or any associate of any such director, officer or security holder, is a party or has an interest materially adverse to the bank or any of its subsidiaries should also be described.

24. § 206.51, Form F-5 (Proxy Statement), Item 8, Relationship with Independent Public Accountants, would be amended as follows:

ITEM 8 - RELATIONSHIP WITH INDEPENDENT PUBLIC ACCOUNTANTS

* * *

(e) If action is to be taken with respect to the selection or approval of auditors, or if it is proposed that particular auditors shall be recommended by any committee to select auditors for whom votes are to be cast, name the auditors and describe briefly any direct financial interest or any material indirect financial interest in the bank or

any of its parents or subsidiaries, or any connection during the past 3 years with the bank or any of its parents or subsidiaries in the capacity of promoter, underwriter, voting trustee, director, officer, or employee. If the auditors to be selected are other than those which were engaged as the principal auditors for the bank's most recently filed certified financial statements, briefly summarize the circumstances and conditions surrounding the proposed change of such auditors, and state whether such change was recommended or approved by:

(1) any audit or similar committee of the Board of Directors, if the bank has such a committee; or

(2) the Board of Directors, if the bank has no such committee.

For the fiscal year most recently completed, describe each professional service provided by the auditor and state the percentage relationship which the aggregate of the fees for all nonaudit services bear to the audit fees, and, except as provided below, state the percentage relationship which the fee for each nonaudit service bears to the audit fees. Indicate whether, before each professional service provided by the principal accountant was rendered, it was approved by, and the possible effect on the independence of the accountant was considered by (1) any audit or similar committee of the board of directors and (2) for any service not approved by an audit or similar committee, the board of directors.

Instructions. 1. For purposes of this subsection, all fees for services provided in connection with the audit function (e.g., reviews of quarterly reports, filings with the Board, and annual reports) may be computed as part of the audit fees. Indicate which services are reflected in the audit fees computation.

2. If the fee for any nonaudit service is less than 3 per cent of the audit fees, the percentage relationship need not be disclosed.

3. Each service should be specifically described. Broad general categories such as "tax matters" or "management advisory services" are not sufficiently specific.

4. Describe the circumstances and give details of any services provided by the bank's independent accountant during the latest fiscal year that were furnished at rates or terms that were not customary.

5. Describe any existing direct or indirect understanding or agreement that places a limit on current or future years' audit fees, including fee arrangements that provide fixed limits on fees that are not subject to reconsideration if unexpected issues involving accounting or auditing are encountered. Disclosure of fee estimates is not required.

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Board of Governors of the Federal Reserve System, June 22, 1979.

SEAU (signed) Theodore E. Allison

Theodore E. Allison
Secretary of the Board