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Supreme Court Rules On Messenger Service ...

The Supreme Court, in Warren E. Burger's first majority opinion as chief justice, last week gave Florida the right to restrict activities of a national bank.

The 6 to 2 decision, in a test case, overrode the judgment of the U. S. comptroller of the currency and accepted Florida's view that armored car messenger service and an off-premises bank depository are forms of "branch banking."

Consequently, the court said, Florida may forbid the offering of such services by the First National Bank in Plant City as it would forbid branches for state banks.

Federal law specifies that a national bank may establish a "branch" in a state only when state law would authorize a state bank to establish such a branch.

Chief Justice Burger's opinion involved whether the two services proposed by First National are forms of branch banking.

Speaking for the majority, he said: "We are satisfied that at the time a customer delivers a sum of money either to the armored truck or the stationary receptacle, the bank has, for all

purposes contemplated by Congress ... received a deposit."

Associate Justices Hugo Black, John Marshall Harlan, William Brennan, Bryon White and Thurgood Marshall agreed with the chief justice.

Extend Time on Commercial Paper ...

For the second time, the Federal Reserve Board has given member banks whose subsidiaries had commercial paper outstanding October 29 additional time to adjust to a ruling that obligations of member bank subsidiaries are subject to both interest rate limitations and reserve requirements.

Action taken by the Fed gives member banks until mid-January to comply with the determination that obligations of member bank subsidiaries are already "in the same status" as obligations issued directly by member banks and, therefore, are subject to Regulations Q and D.

The second extension came after Rep. Emanuel Celler announced that he had urged Fed Chairman William McCh. Martin, Jr., to delay final action to control the issuance of commercial paper. He cited the "great con-

troversy" over the Fed's legal authority to act.

Action Continues on One-Bank Holding Bill ...

A one-bank holding company strategy in the Senate aimed at either killing any one-bank holding company legislation or supporting a compromise measure advanced by Senator William Proxmire is attracting increasing interest among banking representatives in Washington.

In light of the very restrictive measure adopted by the House, most banking representatives would prefer that no legislation be reported out by the Senate Banking Committee next year. They point to the difficulties of taking any bill into a House-Senate conference committee in which House Banking Committee Chairman Wright Patman would be in a commanding position.

However, some banking sources believe the odds are against nothing happening in the Senate next year. They are looking to the Proxmire bill, which would bring one-bank companies under the Bank Holding Company Act, freeze their non-bank acquisitions and authorize a complete study of the industry, as a way out.

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IOWA NEWS

DES MOINES: Paul T. White, who has been with the First National Bank of Southwestern Michigan, has been named assistant personnel officer at the Central National Bank & Trust Company here. Mr. White has been working in personnel administration in banking and insurance for 15 years. He received his M.B.A. degree at Northwestern University in 1957.

DES MOINES: Application of the National Bank of Des Moines to locate a facility at 6564 Northwest Sixth Drive, Saylorville Township, Polk County, has been disapproved by the comptroller of the currency.

KEOSAUQUA: Hugh C. Newman, cashier at the Iowa State Bank, Stockport, is recovering in a local hospital here from injuries sustained in a car accident a week ago.



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retired president and chairman of the board of the Union Bank here. He was 77.

MADISON: Edward O'Shea has died at the age of 77. Mr. O'Shea was associated with his father and brother in the Farmers National Bank here.

TILDEN: William E. Brogan, former Tilden and Norfolk banker, has died at the age of 83.

MINNESOTA NEWS

EDINA: Bankers Agency, Inc., has signed an agreement to purchase approximately 95% of the stock of the Edina State Bank. David Fleming, executive vice president of Bankers Agency, will become president of the bank. He is a former vice president of Winona National & Savings Bank and First National Bank of Winona. Closing of the transaction is scheduled for January. The bank has total assets of more than \$8 million.

NORTHFIELD: Wilmer Brosz, vice president of the Northwestern State Bank here, has been elected to the bank's board of directors. He replaces Burton R. Sawyer, who has resigned after being a member of the board since 1943. Mr. Brosz began his banking career at the Peoples Bank & Trust Company in Waterloo, Iowa. He has been with the Northfield bank since 1964.

ORMSBY: Elmer Skare, who has been employed at the Security National Bank in Viborg, S. D., for the past two years, has joined the Ormsby State Bank.

ST. MARTIN: Herbert Emter has been elected cashier of the St. Martin National Bank. Prior to joining the bank. Mr. Emter was cashier of the Elk Valley State Bank, Larimore, N. D., a bank examiner for North Dakota and employed by the Dakota

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ST. PAUL: An application has been filed with the State Department of Commerce for authority to amend the certificate of incorporation of the Falcon Heights State Bank here, changing its location to 1806-1830 North Lexington at the intersection of Roman Avenue in Roseville, Minn. Incorporators named in the application are A. E. Ritt and G. A. Bilski, both of St. Paul. Proposed capital structure consists of \$200,000 common capital, \$400,000 surplus and \$375,000 undivided profits. No date has been set for hearing on the application.

ST. PAUL: Acquisition of the Park-Grove National Bank of Cottage Grove and the Suburban National Bank of Roseville by Mid America Bancorporation, Inc., has been approved by the board of governors of the Federal Reserve System. Both are new banks with facilities now under construction. The Park-Grove National will open in the Cottage Grove shopping center in mid-January, and the Suburban National is scheduled to open adjacent to the new Rosedale shopping center next spring. Mid America now has four banks in its system. Earlier this year, it acquired the Highland Park State Bank, St. Paul, and the Valley National Bank of Eagan Township.

ILLINOIS NEWS

CASEY: The Comptroller of Currency has approved application of the Casey National Bank to locate a facility on South Central Avenue here.

CHICAGO: Henry P. Hervey, pres-

ident of the Independence Bank, has resigned.

CHICAGO: Alvin R. Beatty has been elected vice president with responsibilities in the marketing area at the Merchandise National Bank.

PALOS HEIGHTS: The FDIC has approved application of the Palos Heights Bank to establish a motor facility at 12350 South Harlem Avenue here.

SOUTH DAKOTA NEWS

MILBANK: The First National Bank has announced remodeling plans to provide needed office space for the bank's loan department. Included in the project will be redecorating of the interior of the bank.

SIoux FALLS: C. A. Lovre, president of the Northwestern National Bank of Sioux Falls, and James Kopperud, executive vice president of the Community State Bank of Lake Preston, have announced that approval has been received from the comptroller of the currency for the merger of the two banks. The Lake Preston bank will be operated as an office of the Northwestern National of Sioux Falls.

NORTH DAKOTA NEWS

BISMARCK: A. Ned Mayer, president of the Dakota National Bank, has been elected president of the Bismarck Chamber of Commerce for 1970. He has been serving as vice president of the organization for the past year.

MINOT: Eight persons associated with the Western State Bank here have been charged with violating

various state banking and corrupt practices laws. Gary R. McDaniel, former bank president already charged in federal court with embezzlement and false entry in bank records, has been named in three indictments. The other seven persons are: State Representative Hayden H. Thompson, chairman of the bank's board of directors and acting president; Rolland Redlin, Mr. Thompson's assistant and a bank director; State Representative Richard A. Backes, Larry Erickson and State Senator Herbert Meschke, all bank directors, and Mary F. Purdy and Gary M. Williamson, bank stockholders. The bank itself has been charged with 15 counts of illegal political contributions.

VELVA: Arthur R. Kumm, 78, founder of the Peoples State Bank here, has died in a Minot hospital following a heart attack. Mr. Kumm founded the Velva bank in 1924.

WYOMING NEWS

NEWCASTLE: The First State Bank of Newcastle recently held an open house in observance of its 45th anniversary. Andy Hansen is bank president. He has been with the bank since 1926.

COLORADO NEWS

DENVER: Jack Eachon, Jr., has been named associate administrator of the Small Business Administration for Financial Assistance. Mr. Eachon was formerly vice president of First Colorado Bankshares, Inc., Denver-based registered bank holding company, and president of the First National Bank of Englewood.

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DENVER: The Denver law firm of Holland & Hart has announced Federal Reserve Board approval of the application to organize Colorado's largest registered bank holding company—in number of banks. The company has been named Affiliated Bankshares of Colorado, Inc., and involves acquisition of controlling interest in 13 Colorado banks with a combined deposit total of approximately \$248 million. Banks involved are Greeley National, West Greeley National, Cache National, all of Greeley; Farmers National of Ault; First National Banks of Boulder, Lafayette and Louisville; Araphoe National of Boulder; First National of Colorado Springs; Ft. Carson National and the Bank of Manitou at Manitou Springs. Acquisition will be through exchange of stock.

DENVER: The Comptroller of the Currency has approved application of the First National Bank of Denver to locate a facility at 1313 Tremont Place here.

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