

ANNOUNCEMENT BY

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
(H.2, 1976 No. 35)

Actions of the Board; Applications and Reports

Received During the Week Ending August 28, 1976

ACTIONS OF THE BOARD

Regulation A, notice of rulemaking, the Board announced the adoption of rules liberalizing the conditions which govern seasonal borrowing by member banks from the 12 Reserve Banks; the purpose of the change in Regulation A is to increase the ability of member banks -- particularly smaller banks -- that are subject to significant seasonal loan demand or deposit fluctuations to meet the financial needs of their communities (Docket No. R-0043)

Report on bill S. 3543, the proposed "National Full Employment and Anti-Inflation Act of 1976", letter to Honorable William Proxmire in response to request for comments on the bill.

Federal Trade Commission Act, letter to Senator Proxmire on Board's plans for complementing section 18(f) of the FTC Act to prohibit unfair and deceptive practices by banks.

Letter to Chairman John M. Murphy, Subcommittee on Consumer Protection and Finance, Committee on Interstate and Foreign Commerce, in response to request for Board's views on Federal Trade Commission's Trade Regulation Rule on Preservation of Consumers' Claims and Defenses (the Holder or Seller rule)

Clear Bancorp, Inc., Chicago, Illinois, extension of time to October 10, 1976, within which to become a bank holding company through the acquisition of 100 per cent of the voting shares (less directors' qualifying shares) of the Clearing Bank, Chicago, Illinois. 1/

First Security Corporation, Salt Lake City, Utah, extension of time to December 1, 1976, within which to comply with Board's order to divest certain impermissible land development activities of its subsidiary, Securities-Intermountain, Inc. 1/

SWB Corporation, Oklahoma City, Oklahoma, extension of time to November 19, 1976, within which to consummate acquisition of the Southwestern Bank & Trust Company, Oklahoma City, Oklahoma. 1/

1/ Application processed on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

Termination of registration for Production Credit Association of Wausau, Wausau, Wisconsin, and Paxall Inc., Chicago, Illinois. 1/

Termination of registration for Southwest Investment Company, Amarillo, Texas. 1/

Bank of Edwardsville, Illinois, to make an additional investment in bank premises. 1/

Cheboygan Bank, Cheboygan, Michigan, to make an investment in bank premises. 1/

M&I Marshall & Ilsley Bank, Milwaukee, Wisconsin, to make an investment in bank premises. 1/

Olean Savings and Loan Association, Olean, New York, proposed merger with Erie County Savings Bank, Buffalo, New York; report to the Federal Deposit Insurance Corporation on competitive factors. 1/

P. Bank, N.A., Trenton, Michigan, proposed merger with Peoples Bank and Trust, National Association, Trenton, Michigan; report to the Comptroller of the Currency on competitive factors. 1/

1/ Application processed on behalf of the Board of Governors under delegated authority.

Note: The H.2 release is now published in the Federal Register. It will continue to be sent, upon request, to anyone desiring a copy.

ACTIONS OF THE BOARD-Continued

To Establish a Domestic Branch Pursuant to Section 9  
of the Federal Reserve Act

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Approved

Genesee Merchants Bank & Trust Company, Flint, Michigan.  
Branch to be established at Diplomat Plaza, G-3400 block  
of Flushing Road, Flint Township, Genesee County. 2/

The Detroit Bank-Southfield, Southfield, Michigan. Branches  
to be established at the following locations:

- A. The intersection of Beech and Nine Mile Roads
- B. 21840 Nine-Mile Road, Southfield, Oakland County 2/

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To Become a Member of the Federal Reserve System Pursuant  
to Section 9 of the Federal Reserve Act

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Approved

Long Island Bank, Hicksville, New York.

The Central Trust Company of Canal Winchester, Canal  
Winchester, Ohio.

Bank of the North Shore, Northbrook, Illinois.

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International Investments and Other Actions Pursuant to  
Sections 25 and 25(a) of the Federal Reserve Act and Sections  
4(c)(9) and 4(c)(13) of the Bank Holding Company Act of 1956,  
as Amended

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Approved

Chase Manhattan Overseas Banking Corporation: investment -  
indirect acquisition of 100 per cent of the shares of  
Corretora De Seguros Lar Brasileiro, S.A., an insurance  
brokerage and agency company, Brazil.

Chase Manhattan Overseas Banking Corporation: investment -  
continue to hold the shares of Chase Manhattan Trust  
Corp. Ltd. after the latter acquires 3 nominee companies  
to be organized under the laws of Panama.

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2/ Application processed by the Reserve Bank on behalf of the Board of  
Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

Morgan Guaranty International Finance Corporation: investment - additional in Sociedad Financiera Valinvenca, S.A., Caracas, Venezuela, in order to maintain its current 25 per cent interest.

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To Form a Bank Holding Company Pursuant to Section 3(a)(1) of the Bank Holding Company Act of 1956

Approved

Rainwood Corporation, Des Moines, Iowa, for approval to acquire 95 per cent or more of the voting shares of Valley State Bank, Rock Valley, Iowa. 2/

Community Bancshares, Inc., Forest Green, Missouri, for approval to acquire 80 per cent or more of the voting shares of The Merchants and Farmers Bank of Salisbury, Salisbury, Missouri.

Harvard State Company, Harvard, Nebraska, for approval to acquire 80 per cent or more of the voting shares of Harvard State Bank, Harvard, Nebraska.

Midwestern Services, Inc., Hay Springs, Nebraska, for approval to acquire 87.5 per cent of the voting shares of The First National Bank of Hay Springs, Hay Springs, Nebraska. 2/

Rescinded

Sibley Bancorporation, Sibley, Iowa, for approval to acquire 96.5 per cent of the voting shares of The First National Bank of Sibley, Sibley, Iowa.

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To Expand a Bank Holding Company Pursuant to Section 3(a)(3) of the Bank Holding Company Act of 1956

Approved

Republic of Texas Corporation, Dallas, Texas, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of First National Bank in Brownwood, Brownwood, Texas.

2/ Application processed by the Reserve Bank on behalf of the Board of  
of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

Denied

Michigan National Corporation, Bloomfield Hills, Michigan, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to Peoples Bank and Trust, National Association, Trenton, Michigan.

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To Expand a Bank Holding Company Pursuant to Section 4(c)(8) of the Bank Holding Company Act of 1956

Withdrawn

Industrial National Corporation, Providence, Rhode Island, notification of intent to engage in de novo activities (acting as underwriters for credit life insurance and credit health insurance which is directly related to extensions of credit by the bank holding company system) at 55 Kennedy Plaza, Providence, Rhode Island, through a subsidiary, Consumer Life Insurance Company (8/24/76) 3/

Lawrence Bancshares, Inc., Lawrence, Kansas, for approval to continue to engage in the sale of credit life and credit accident and health insurance in Lawrence, Kansas.

Permitted

Correction:

Crocker National Corporation, San Francisco, California, notification of intent to engage in de novo activities (acting as insurance agent or broker with respect to any insurance for Crocker's banking subsidiary, Crocker National Bank; credit life and credit accident and health insurance directly related to extensions of credit by any of Crocker's existing lending subsidiaries and mortgage redemption insurance at existing offices of such subsidiaries in the State of California, Houston and Dallas, Texas, and Seattle, Washington) at One Montgomery Street, San Francisco, California, through a subsidiary, CNC Insurance Agency, Inc. This is to correct Actions of the Board permitting Crocker National Corporation to engage in certain insurance activities which were listed on H.2 No. 33. (8/10/76) 3/

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

ACTIONS OF THE BOARD-Continued

Approved

C.I.T. Financial Corporation, New York, New York, for approval to acquire substantially all of the assets of Guardian Commercial Corporation, Roslyn Heights, New York.

Milwaukee Western Corporation, West Palm Beach, Florida, for approval to acquire all of the issued and outstanding shares of M & H Financial Corporation, Broadview, Illinois.

Milwaukee Western Corporation, West Palm Beach, Florida, for approval to acquire all of the issued and outstanding shares of Security Industrial Company, Broadview, Illinois.

Community Bancshares, Inc., Forest Green, Missouri, for permission to acquire the assets of Miller & Associates, Forest Green, Missouri.

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To Expand a Bank Holding Company Pursuant to Section 4(c)(12) of the Bank Holding Company Act of 1956

Permitted

Berkshire Hathaway Inc., New Bedford, Massachusetts, notification of intent to acquire the convertible preferred stock and more than 5 per cent of the outstanding voting stock of Government Employees Insurance Company, a casualty company writing automobile, home, and related types of insurance on a nationwide basis and to acquire more than 5 per cent of the outstanding voting stock of Government Employees Life Insurance Company engaged in the writing of life insurance, both of Washington, D.C. (8/27/76) 3/

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

APPLICATIONS RECEIVED

To Establish a Domestic Branch Pursuant to Section 9  
of the Federal Reserve Act

Baybank Harvard Trust Company, Cambridge, Massachusetts.  
Branch to be established at Bedford Road, Carlisle.

The Traders Bank, Spencer, West Virginia. Branch to be  
established at the intersection of US Route 33 and West  
Main Street, Spencer.

The Bank of Edwardsville, Edwardsville, Illinois. Branch  
to be established at the Southeast corner of Montclair  
Avenue and Troy Road, Edwardsville, Madison County.

State Bank of Freeport, Freeport, Illinois. Branch to be  
established within the city limits of Freeport and with-  
in 3,500 yards of the main banking office.

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Thirty Day Notice of Intention to Establish an Additional  
Branch of a Member Bank in a Foreign Country

Citibank, N.A.: branch - additional in the United Kingdom,  
to be located in Edinburgh, Scotland.

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To Form a Bank Holding Company Pursuant to Section  
3(a)(1) of the Bank Holding Company Act of 1956

Mount Morris Banshares, Inc., Omaha, Nebraska, for approval  
to acquire 80 per cent or more of the voting shares of  
Citizens State Bank of Mt. Morris, Mount Morris, Illinois.

Lyons Bankshares, Inc., Topeka, Kansas, for approval to  
acquire 80 per cent or more of the voting shares of The  
Chandler National Bank of Lyons, Lyons, Kansas.

APPLICATIONS RECEIVED-Continued

To Expand a Bank Holding Company Pursuant to Section 3(a)(3) of the Bank Holding Company Act of 1956

First Commercial Banks Inc., Albany, New York, for approval to acquire 100 per cent (less directors' qualifying shares) of the voting shares of the successor by merger to The Chester National Bank, Chester, New York.

Ancorp Bancshares, Inc., Chattanooga, Tennessee, for approval to acquire 51 per cent of the voting shares of Hamilton Bank of Johnson City, Johnson City, Tennessee.

First Michigan Bank Corporation, Zeeland, Michigan, for approval to acquire 100 per cent of the voting shares of the successor by consolidation to Community State Bank of Dowagiac, Dowagiac, Michigan.

Texas Commerce Bancshares, Inc., Houston, Texas, for approval to acquire 987 shares of the voting stock through a rights offering of First National Bank of Stafford, Harris County (P.O. Houston), Texas.

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To Expand a Bank Holding Company Pursuant to Section 4(c)(8) of the Bank Holding Company Act of 1956

Citicorp, New York, New York, notification of intent to engage in de novo activities (consumer home equity lending secured by real estate, making loans for the account of others such as one-to-four family unit mortgage loans; and in regard to the new activities acting as agent or broker for the sale of credit related life/accident and health insurance and credit related property and casualty insurance; if these proposals are effected, the establishment will offer to sell insurance as follows: consumer credit related life/accident and health, decreasing or level (in the case of single payment loans), term life insurance to cover the outstanding balances of consumer credit transactions, singly or jointly, with their spouses or co-signers in the case of life coverage in the event of death, or, to make the contractual monthly payments on the consumer credit transactions in the event of the obligators' disability to the extent permissible under applicable



APPLICATIONS RECEIVED-Continued

State insurance laws and regulations; property and casualty insurance coverage on property subject to security agreements and to include liability coverage in home or automobile owner "package" policies where such is the general practice) at 301 Grand Avenue, Laramie, Wyoming; Rock Springs Plaza, Dewar Drive, Rock Springs, Wyoming; 415 West Cedar Street, Rawling, Wyoming; 227 North Main, Sheridan, Wyoming; 307 West 18th Street, Cheyenne, Wyoming; 609 Main Street, Lander, Wyoming; Market Square, East Second Street, Casper, Wyoming (to be relocated from 261 S. Center Street, Casper, Wyoming); through its subsidiary, Nationwide Financial Services Corporation and its subsidiary, Nationwide Financial Corporation of Wyoming (8/27/76) 3/

Union Bank Corporation of New York, Albany, New York, notification of intent to engage in de novo activities (making and acquiring, for its own account or for the account of others, loans and other extensions of credit such as could be made by a finance company, including secured and unsecured loans to individuals, discounting of installment sales contracts, and secured commercial financing such as dealer floor-plan financing) at 75 State Street, Albany, New York and 3588 Delaware Avenue, Buffalo, New York, through a subsidiary, UBC Leasing of New York, Inc. (7/21/76) 3/

CB&T Bancshares, Inc., Columbus, Georgia, notification of intent to engage in de novo activities (making or acquiring, for its own account or for the account of others, loans and other extensions of credit such as would be made by a first mortgage company and writing and issuing mortgage cancellation insurance and credit accident and health insurance in connection with the extension of credit such as would be made by a first mortgage company) at 1501 Thirteenth Street, Columbus, Georgia, through a subsidiary, The Georgia Company of America (8/26/76) 3/

Mercantile Bancorporation Inc., St. Louis, Missouri, notification of intent to engage in de novo activities (making, acquiring, or servicing loans or other extensions of credit for personal, family, or household purposes such as are made by a finance company; and insurance agency or brokerage in connection with selling to consumer finance borrowers credit life insurance and property damage insurance for collateral securing loans made to borrowers) at 2301 West 7th Street, Eugene, Oregon, through its wholly owned subsidiary, Franklin Finance Company (8/23/76) 3/

3/ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

REPORTS RECEIVED

None.

PETITIONS FOR RULEMAKING

None.