

*Records Section
B-1125*

ANNOUNCEMENT BY

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
(H.2, 1978 No. 10)

Actions of the Board; Applications and Reports

Received During the Week Ending March 11, 1978

ACTIONS OF THE BOARD

Statement by Chairman G. William Miller before the House Banking Committee, to present the Federal Reserve's report on the conduct of monetary policy.

Statement by Governor Philip E. Coldwell before the Senate Banking Committee on S.72, the Competition in Banking Act of 1977.

Federal Reserve Act, Section 23A, response to request for Board to study the need for legislative changes to Section 23A; this statute places quantitative limitations on bank transactions with affiliates and requires that bank loans and extensions of credit to affiliates be fully secured; a draft bill incorporating the Board's proposed amendments to this statute sent to Chairman Proxmire of the Senate Banking Committee.

Regulation Y amendment, effective April 5, 1978, to establish a record system for municipal securities principals or representatives associated with bank holding companies. (Docket No. R-0090)

Regulation F, Securities of State Member Banks, the Board announced a proposed regulatory revision to bring the Board's rules for member bank disclosure to stockholders into conformity with recent rule revisions by the Securities Exchange Commission; the Board asked for comment by May 1, 1978.

Mr. Neal L. Petersen, appointed as Board's General Counsel, effective about April 3, 1978.

First Park Ridge Corporation, Chicago, Illinois, extension of time to May 14, 1978, within which to become a bank holding company through the acquisition of 80 per cent or more of the voting shares of First State Bank & Trust Company of Park Ridge, Park Ridge, Illinois. 1/

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

ACTIONS OF THE BOARD-Continued

Industrial Loan and Investment Company, Sedalia, Missouri, extension of time to April 7, 1978, within which to file its registration statement. 1/

Commerce Union Bank of Sumner County, Gallatin, Tennessee, to make an investment in bank premises. 1/

Peoples Bank and Trust Company, Selma, Alabama, to make an investment in bank premises. 1/

Marion County Banking Company, Hamilton, Alabama, extension of time to June 1, 1978, within which to establish a branch at the intersection of U.S. Highway 78 and Alabama Highway 17 in Weston, Alabama. 1/

Northern Trust Company, Chicago, Illinois, extension of time to October 22, 1978, within which to establish a branch at 118-120 East Oak Street, Chicago, Illinois. 1/

State Bank of Croswell, Croswell, Michigan, extension of time to September 16, 1978, within which to establish a branch at 5200 East Peck Road, Lexington Township, Michigan. 1/

First National Bank of Orange County, Orange, California, proposed merger with Wells Fargo Bank, National Association, San Francisco, California, report to the Comptroller of the Currency on competitive factors. 1/

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

ACTIONS OF THE BOARD-Continued

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

Approved

American Security Bank, N.A., Washington, D.C.: to acquire all of the shares of American Security Bank International, Limited, Nassau, Bahamas.

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

Approved

St. Michaels Bank, St. Michaels, Maryland. Branch to be established at the intersection of State Route 33 and Lincoln Avenue, St. Michaels, Talbot County. 2/

Lapeer County Bank & Trust Company, Lapeer, Michigan. Branch to be established on the northeast corner at the intersection of Imlay City Road (M-21), and Lake Pleasant Road, Attica Township, Lapeer County. 2/

The Peoples State Bank, Wauseon, Ohio. Branch to be established at 1600 North Shoop Avenue, Wauseon, Fulton County. 2/

Tracy-Collins Bank & Trust Company, Salt Lake City, Utah. Branch to be established in the immediate vicinity of 70th South and Redwood Road, West Jordan, Salt Lake County. 2/

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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

ACORN FINANCIAL CORP., Oak Park, Illinois, for approval to acquire 80 per cent or more of the voting shares of Suburban Trust and Savings Bank, Oak Park, Illinois.

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

ACTIONS OF THE BOARD-Continued

Gibson Bancshares Corporation, Gibson City, Illinois, for approval to acquire 80 per cent or more of the voting shares of First National Bank and Trust Company in Gibson City, Gibson City, Illinois. 2/

Hawarden Banshares, Inc., Hawarden, Iowa, for approval to acquire 83.75 per cent or more of the voting shares of Farmers State Bank, Hawarden, Iowa.

Madison National Company, Madison, Nebraska, for approval to acquire 94.13 per cent of the voting shares of The Farmers National Bank of Madison, Madison, Nebraska.

Snowmass Bancorp, Inc., West Village, Colorado, for approval to acquire 80 per cent of the voting shares of Bank of Snowmass, West Village, Colorado.

Denied

Dakota Bankshares, Inc., Fargo, North Dakota, for approval to acquire 90 per cent or more of the voting shares of The Dakota National Bank and Trust Company of Fargo, Fargo, North Dakota. The Section 3(a)(3) applications of Otto Bremer Company, St. Paul, Minnesota, for approval to acquire 21.77 per cent of the voting shares of Dakota Bankshares, Inc., Fargo, North Dakota and indirectly acquire 90.286 per cent of the voting shares of Dakota National Bank and Trust Co. of Fargo, Fargo, North Dakota and Otto Bremer Foundation, St. Paul, Minnesota, for approval to acquire 21.77 per cent of the voting shares of Dakota Bankshares, Inc., Fargo, North Dakota and indirectly acquire 90.286 per cent of the voting shares of The Dakota National Bank and Trust Co. of Fargo, Fargo, North Dakota, hereby become moot.

First National Bank Shares, Ltd., Great Bend, Kansas, for approval to acquire 80 per cent of the voting shares of First National Bank and Trust Company in Great Bend, Great Bend, Kansas.

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

ACTIONS OF THE BOARD-Continued

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

Approved

Michigan National Corporation, Bloomfield Hills, Michigan, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Michigan National Bank-Port Huron, Port Huron, Michigan, a proposed new bank.

Denied

Hawkeye Bancorporation, Des Moines, Iowa, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Second Bancorporation, Eldora, Iowa and indirectly acquire 100 per cent of the voting shares of Second National Bank, Eldora, Iowa.

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

Approved

Chemical New York Corporation, New York, New York, for approval to begin reinsuring the life and accident and health insurance that is directly related to extensions of credit by Applicant's indirect subsidiaries in the States of Arizona, Indiana, Kentucky, Mississippi and Oklahoma. 2/

Centran Corporation, Inc., Cleveland, Ohio, for approval to underwrite, on a reinsurance basis, credit life insurance issued to borrowers in connection with extensions of consumer credit by the subsidiary banks of Applicant, through Investors Income Insurance Company, Garland, Texas. 2/

Mercantile Bancorporation Inc., St. Louis, Missouri, through its subsidiary, Franklin Finance Company, Clayton, Missouri, for approval to acquire 100 per cent of the gross loan receivables and related insurance business of Thorp Credit Company of Parkersburg, Parkersburg, West Virginia. 2/

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

ACTIONS OF THE BOARD-ContinuedReturned

Old Stone Corporation, Providence, Rhode Island, notification of intent to engage in de novo activities (making and servicing consumer installment loans and mortgage loans, and accepting consumer savings deposits in the manner authorized by Rhode Island State law for loan and investment companies; the Guild Loan and Investment Company will not make commercial loans nor accept demand deposits) at 110 South Main Street, Providence, Rhode Island, through a subsidiary, Guild Loan & Investment Company, Providence, Rhode Island (an inactive loan and investment company) (3/9/78) 3/

Permitted

First National State Bancorporation, Newark, New Jersey, notification of intent to engage in de novo activities (in all of the activities permitted a sales finance company incorporated under the laws of the State of New Jersey including, but not limited to, the establishment of retail installment charge accounts with retail buyers through applications available at various retail stores and the acquisition of retail installment contracts or retail installment obligations incurred pursuant to retail charge accounts and aiding retail sellers in selling, assigning or arranging for the sale of assignment of retail installment contracts or obligations) at 550 Broad Street, Newark, New Jersey, through its subsidiary, F.N.S.B. Service Corporation (3/9/78) 3/

BankAmerica Corporation, San Francisco, California, notification of intent to relocate de novo activities (making or acquiring, for its own account loans and other extensions of credit such as would be made or acquired by a finance company and servicing loans and other extensions of credit, such activities will include, but not be limited to, making consumer installment loans, purchasing installment sales finance contracts, making loans and other extensions of credit to small businesses, and making loans secured by real and personal property; and the offering of credit-related life, credit-related accident and disability insurance, and credit-related property insurance in connection with extensions of credit made or acquired by FinanceAmerica Corporation) from 7475 Dakin Street, Denver, Colorado to 457A Wadsworth, Lakewood, Colorado, through its subsidiary, FinanceAmerica Corporation (a Colorado Corporation) (3/5/78) 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

Hawaii Bancorporation, Inc., Honolulu, Hawaii, notification of intent to engage in de novo activities (servicing loans and other extensions of credit, issuing and selling certificates for the payment of money and to receive payments therefor in installments or otherwise in accordance with Chapter 408, Hawaii Revised Statutes) at 800 Nuuanu Avenue, Honolulu, Hawaii, and to engage in additional activities (to acquire by purchase from Imperial Finance Corporation four industrial loan licenses and through assignment of leases, office premises including leasehold improvements, furniture and fixtures; to engage in the activities of an industrial loan company including the issuance and selling of certificates for the payment of money and to receive payments therefor in installments or otherwise in accordance with Chapter 408, Hawaii Revised Statutes) at 80 Pauahi Street, Hilo, Hawaii, 1501 Kapiolani Boulevard, Honolulu, Hawaii, 1857 North King Street, Honolulu, Hawaii and 88 South Hotel Street, Honolulu, Hawaii, through its subsidiary, Finance Hawaii, Inc. (3/11/78) 3/

Correction:

Security Pacific Corporation, Los Angeles, California, notification of intent to engage in de novo activities (acting as broker or agent for the sale of credit-related property and casualty insurance) at 23521 Paseo de Valencia, Laguna Hills, California, through a subsidiary, Security Pacific Finance Corp. This address was mistakenly listed under the subsidiary, The Bankers Investment Company (2/17/78) 3/

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

Delayed

Gamble-Skogmo, Inc., Minneapolis, Minnesota, notification of intent to acquire indirectly through its subsidiary, Aristar, Inc., an additional 47 per cent of American Finance System, Incorporated (3/10/78) 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

Permitted

The Jacobus Company, Wauwatosa, Wisconsin, notification of intent to acquire certain assets of Good Oil Company of Madison, Wisconsin, a residential and commercial heating fuel oil and gasoline business (3/10/78) 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

The Detroit Bank and Trust Company, Detroit, Michigan.
Branch to be established at the intersection of Fifteen
Mile & Schoenherr Roads, Sterling Heights, Macomb
County.

Ann Arbor Bank and Trust Company, Ann Arbor, Michigan.
Branch to be established east of the Village of Chelsea
on the north side of Old U.S. 12, Sylvan Township,
Washtenaw County.

The Farmers and Merchants State and Savings Bank,
Montpelier, Ohio. Branch to be established at 103 West
Main Street, Montpelier, Williams County.

Bank of the Islands, Sanibel-Captive, Sanibel, Florida.
Branch to be established at the intersection of Tarpon
Bay Road and Periwinkle Way.

Kent City State Bank, Kent City, Michigan. Branch to
be established in the vicinity of 3069 Slocum Road,
Ravenna Township, Muskegon County,

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

Banconac Shares, Inc. (a Florida Corporation), Hollywood,
Florida, for approval to acquire 100 per cent of the
voting shares (less directors' qualifying shares) of
Caribbean National Bank, Coral Gables, Florida.

P.N.B. Financial Corp., Chicago, Illinois, for approval
to acquire 81.78 per cent of the voting shares of Park
National Bank of Chicago, Chicago, Illinois.

First Formoso, Inc., Formoso, Kansas, for approval to
acquire 85.33 per cent (less directors' qualifying
shares) of the voting shares of The First National Bank
of Formoso, Formoso, Kansas.

APPLICATIONS RECEIVED-Continued

FIRST THOMAS BAN CORP, Thomas, Oklahoma, for approval to acquire 80 per cent or more of the voting shares of The First National Bank of Thomas, Thomas, Oklahoma.

Prairie Bankshares, Inc., Bucklin, Kansas, for approval to acquire 86.4 per cent of the voting shares of The State Bank, Pretty Prairie, Kansas.

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

Otto Bremer Company, St. Paul, Minnesota, for approval to acquire an additional 20.5 per cent of the voting shares of The Casselton State Bank, Casselton, North Dakota.

Otto Bremer Company, St. Paul, Minnesota, for approval to acquire an additional 31.3 per cent of the voting shares of Detroit State Bank, Detroit Lakes, Minnesota.

Otto Bremer Company, St. Paul, Minnesota, for approval to acquire an additional 19.5 per cent of the voting shares of The First American National Bank of St. Cloud, St. Cloud, Minnesota.

Otto Bremer Company, St. Paul, Minnesota, for approval to acquire an additional 36.3 per cent of the voting shares of The Foster County Bank and Trust Company, Carrington, North Dakota.

Empire Bancorp, Inc., Kansas City, Missouri, for approval to acquire 90 per cent or more of the voting shares of The Bank of Otterville, Otterville, Missouri.

First City Bancorporation of Texas, Inc., Houston, Texas, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of West Ten National Bank, El Paso, Texas, a proposed new bank.

APPLICATIONS RECEIVED-Continued

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

Chemical New York Corporation, New York, New York, for approval to acquire all the shares of Investment and Capital Management Corp., Chicago, Illinois.

Citicorp, New York, New York, notification of intent to engage in de novo activities (making or acquiring, for its own account or for the account of others, commercial loans; and leasing personal or real property or acting as agent, broker or adviser in leasing such property and servicing such leases where the leases serve as the functional equivalent of an extension of credit to the lessee of the property where at the inception of the initial lease the effect of the transaction will be to compensate the lessor for not less than its full investment in the property over the term of the lease and where the transaction is subject to all of the qualifications specified in 12 CFR 225.4 (a)(6) and (b)) at 44 Montgomery Street, San Francisco, California; 41 Perimeter Center East, N.E., Atlanta, Georgia; 1341 West Mockingbird Lane, Dallas, Texas; 560 Sylvan Avenue, Englewood Cliffs, New Jersey; 2250 East Devon Avenue, De Plaines, Illinois; 707 Wilshire Blvd., Los Angeles, California; and 515 Flower Street, Los Angeles, California, through its subsidiary, Citicorp Industrial Credit, Inc. (3/10/78) 3/

Manufacturers Hanover Corporation, New York, New York, notification of intent to engage in de novo activities (acting as insurance agent or broker for the sale of credit life and credit accident and health insurance related to loans and other extensions of credit such as would be made by a mortgage company which are made, acquired or serviced by Citizens Mortgage Corporation, for its own account or for the account of others) at 24700 Northwestern Highway, Southfield, Michigan, through its indirect subsidiary, CMC Insurance Agency, Inc. and with respect to extensions of credit made, acquired or serviced by an existing office of Citizens Mortgage Corporation, d/b/a Royal Oak Mortgage Corporation, located at 2121 Sage Road, Houston, Texas (3/10/78) 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-Continued

The Citizens and Southern Corporation, Charleston, South Carolina, notification of intent to continue to engage in de novo activities (rendering data processing services related to banking, financial or related economic data and specifically in the following product areas: data processing services to banks including deposit, loan, and accounting services; data processing services to corporate customers of banks including services such as payroll, general ledger, accounts receivable, accounts payable, and inventory accounting; and providing computer output microfilm services for data being processed in connection with the above services) at 295 Greystone Boulevard, Columbia, South Carolina, through the retention of Citizens and Southern Systems, Inc. (3/9/78) 3/

Union Trust Bancorp, Baltimore, Maryland, notification of intent to engage in de novo activities (making installment loans to individuals for personal, family or household purposes, purchasing sales finance contracts executed in connection with the sale of personal, family or household goods or services; acting as agent in the sale of credit life and credit accident and health insurance directly related to its extensions of credit; and acting as agent in the sale of insurance protecting collateral held against the extensions of credit) at 108 Hampton Avenue, Greenwood, South Carolina, through a subsidiary, Landmark Financial Services, Inc. d/b/a Landmark Finance Corporation of South Carolina (3/10/78) 3/

Midland Capital Co., Oklahoma City, Oklahoma, for approval to acquire the remaining 25 per cent of the outstanding common stock of Midland Mortgage Co. and its subsidiary, Johnston Record Co., both in Oklahoma City, Oklahoma.

Rainier Bancorporation, Seattle, Washington, notification of intent to engage in de novo activities (making equity and debt investments in corporations or projects designed primarily to promote community welfare such as the economic rehabilitation and development of low-income areas including the purchase, construction, rehabilitation, restoration and sale by Rainier Community Service Corporation of residential and commercial properties, all as contemplated and limited by Section 225.4(a)(7) of Regulation Y of the Federal Reserve Regulation as from

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-Continued

time to time amended including, without limitation, projects for the construction or rehabilitation of housing for the benefit of persons of low or moderate income; projects for the construction or rehabilitation of ancillary local commercial facilities necessary to provide goods or services principally to persons residing in low or moderate-income housing, projects designed explicitly to create improved job opportunities for low or moderate-income groups and projects sponsored by local civic organizations as a means to promote greater public use of the community's facilities) at Rainier Bank Tower, 1301 Fifth Avenue, Seattle, Washington, through its subsidiary, Rainier Community Service Corporation (3/6/78) 3/

Rainier Bancorporation, Seattle, Washington, notification of intent to engage in de novo activities (acting as insurance agent or broker with regard to consumer credit related property and casualty insurance on personal property subject to security agreements with Rainier Credit Company) at 3278 B Lancaster Drive N.E., Salem, Oregon, through its subsidiary, Rainier Credit Company (3/2/78) 3/

Rainier Bancorporation, Seattle, Washington, notification of intent to engage in de novo activities (acting as insurance agent or broker with regard to consumer credit related property and casualty insurance on personal property subject to security agreements with Rainier Credit Company) at 1729 Tully Road, Modesto, California, through its subsidiary, Rainier Credit Company (3/2/78) 3/

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

Baldwin-United Corporation, Cincinnati, Ohio, notification of intent to acquire, through its wholly-owned subsidiary DHB, Inc., the remaining 10 per cent of the outstanding common stock of National Farmers Union Service Corporation, thereby increasing its ownership to 100 per cent (2/17/78) 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

Current Report Filed Pursuant to Section 13 of the
Securities Exchange Act

The Dollar Savings and Trust Company, Youngstown, Ohio.

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Agreements Filed Pursuant to Section 8 of the
Securities Exchange Act of 1934

"Banco de la Nacion Argentina of Bueno Aires, Argentina
has filed an agreement with the Board undertaking to
comply with all provisions which relate to the use of
credit to finance transactions in securities."

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PETITIONS FOR RULEMAKING

None.