ANNOUNCEMENT BY

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
(H.2, 1978 No. 13)

Actions of the Board; Applications and Reports

Received During the Week Ending April 1, 1978

ACTIONS OF THE BOARD

- Request from a member bank to change the Board's rule relating to the prepayment of interest to a depositor in the form of merchandise.
- Change in the credit policy applicable to check deposits made by Government agencies.
- Proposal for revision of the portion of Regulation Y, Bank Holding Companies, concerned with the sale of insurance to conform to court decisions; Board request for comment by May 1, 1978. (Docket No. R-0050)
- First National Bank of South Jersey, Egg Harbor Township, New Jersey, proposed merger with First National State Bank of Central Jersey, Trenton, New Jersey, report to the Comptroller of the Currency on competitive factors.
- Extension of time through April 13, 1978, within which to comment on a proposal published by the Board on February 16, 1978 with respect to possible sale by bank holding companies of money orders and similar instruments, travelers checks, U.S. Savings Bonds and consumeroriented financial management courses. (Docket No. R-0145) 1/
- Extension of comment period to May 1, 1978, relating to the record keeping and confirmation requirement for certain securities transactions effected by State member banks. (Docket No. R-0142) 1/
- Publication of a revised list of over-the-counter stocks subject to the Board's margin requirements. 1/
- Bank of Neosho, Missouri, extension of time to October 8, 1978, within which to establish a branch facility at 528 Neosho Boulevard, Neosho, Missouri. 1/

 $[\]underline{1}/$ Application processed on behalf of the Board of Governors under delegated authority.

- Citizens and Southern Holding Company, Atlanta, Georgia, extension of time to June 30, 1978, within which to open for business the offices in Albany, Columbus, and Rome, Georgia. 1/
- First International Bancshares, Inc., Dallas, Texas, extension of time to May 6, 1978, within which to consummate the acquisition of City National Bank in Wichita Falls, Wichita Falls, Texas. 1/
- Midland Mortgage Corporation, Detroit, Michigan, extension of time to June 22, 1978, within which to establish a <u>de novo</u> subsidiary, and engage in activities at 350 First National Building, through its subsidiary, Midland Mortgage Service Corporation, Detroit, Michigan. 1/
- Security Financial Corporation of Fredericksburg, Fredericksburg, Texas, extension of time to May 6, 1978, within which to consummate the acquisition of Security State Bank and Trust, Fredericksburg, Texas. 1/
- NBM Corp., McAlester, Oklahoma, extension of time to April 17, 1978 within which to file its registration statement. 1/
- Occidental Life Insurance Company of California, San Francisco, California, termination of registration pursuant to Regulation G. 1/
- Levi Strauss and Company, San Francisco, California, termination of registration pursuant to Regulation G. 1/
- First Mark Financial Corp., Indianapolis, Indiana, termination of registration pursuant to Regulation G. $\underline{1}/$
- State Bank of Remington (Incorporated), Remington, Virginia, investment in bank premises. 1/
- Wheeling Dollar Savings & Trust Co., Wheeling, West Virginia, investment in bank premises. 1/

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

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

Approved

The Farmers and Merchants State & Savings Bank, Montpelier, Ohio. Branch to be established at 103 West Main Street, Montpelier, William County. 2/

United Citizens Bank, Winston-Salem, North Carolina. Branch to be established on Old Highway 52, Rural Hall, Forsyth County. 2/

The Detroit Bank and Trust Company, Detroit, Michigan.
Branch to be established at the intersection of Fifteen
Mile and Schoenherr Roads, Sterling Heights, Macomb
County. 2/

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To Merge Pursuant to Section 18(c) of the Federal Deposit Insurance Act

Approved

The Bank of Mid-Jersey, Bordentown Township, Burlington County, New Jersey, to merge with The Hamilton Bank, National Association, Hamilton Township, Mercer County, New Jersey. 2/

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To Establish an Overseas Branch of a Member Bank Pursuant to Section 25 of the Federal Reserve Act

Approved

Chemical Bank, New York, New York: to establish a branch in Seoul, Korea.

Citibank, N.A., New York, New York: to establish a branch in Kartoum, Sudan.

Iowa-Des Moines National Bank, Des Moines, Iowa: to establish a branch in George Town, Grand Cayman, Cayman Islands.

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

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

Citicorp, New York, New York: to purchase and hold, directly or indirectly, additional shares of its wholly-owned subsidiary, Citicorp International Finance S.A., Geneva, Switzerland.

Morgan Guaranty International Finance Corporation, New York, New York: to purchase and hold, directly or indirectly, an additional 53.45 per cent of Morgan Guaranty and Partners Limited, Singapore.

Philadelphia International Investment Corporation, Philadelphia, Pennsylvania: to purchase and hold, directly or indirectly, additional shares of Australian Finance and Securities Limited, Sydney, Australia.

Philadelphia International Corporation, Philadelphia, Pennsylvania: to purchase and hold, directly or indirectly, 8.0 per cent of the outstanding shares of Triarch Corporation Ltd., Toronto, Canada.

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

Withdrawn

First Edwardsville Corporation, Edwardsville, Illinois, for approval to acquire 80 per cent of the voting shares of Edwardsville National Bank and Trust Company, Edwardsville, Illinois.

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

Approved

- K-4 Banco Corporation, Latimer, Iowa, for approval to acquire 92.1 per cent of the voting shares of Latimer State Bank, Latimer, Iowa. 2/
- Palatine Bancorporation, Inc., Palatine, Illinois, for approval to acquire 80 per cent or more of the voting shares of First Bank and Trust Company, Palatine, Illinois, Palatine, Illinois.
- Ames Holding Company, Ltd., Omaha, Nebraska, for approval to acquire 80 per cent or more of the voting shares of Ames Bank, Omaha, Nebraska.
- First National Hamilton Bankshares, Inc., Hamilton, Kansas, for approval to acquire 91.1 per cent or more of the voting shares of The First National Bank of Hamilton, Hamilton, Kansas. 2/

Denied

Midwest Bancorp, Inc., Gardner, Illinois, for approval to acquire 88.4 per cent or more of the voting shares of Exchange Bank, Gardner, Illinois.

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

Withdrawn

Financial General Bankshares, Inc., Financial General Corporation and The Morris Plan Corporation, all of Washington, D.C., for approval to acquire an additional 76,556 shares of the voting shares of American National Bank of Maryland, Silver Spring, Maryland.

Approved

- Royal Trustco Limited, Ottawa, Ontario, Canada and Royal Trust Bank Corp., Miami, Florida, for approval to acquire 99.69 per cent of the voting shares of Baymeadows Bank, Jacksonville, Florida.
- First Agency of Hastings, Inc., Hastings, Minnesota, for approval to acquire an additional 18.3 per cent of the voting shares of The First National Bank of Hastings, Hastings, Minnesota.

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

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

Permitted

Citicorp, New York, New York, notification of intent to engage in de novo activities (making loans to individuals and businesses secured by real and personal property, the proceeds of which may be for purposes other than personal, family or household usage; sale of credit related life/accident and health, or decreasing or level (in the case of single payment loans) term life insurance to cover the outstanding balances on credit transactions (singly or jointly with co-signers in the case of life coverage) in the event of death, or, to make contractual monthly payments on the credit transactions in the event of the obligator's disability by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; the sale of credit related property and casualty insurance protecting personal and real property subject to a security agreement with Citicorp Person-to-Person Financial Center, Inc. and to include liability coverage in home or automobile policies where such is the general practice by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; credit related decreasing term life insurance and accident and health insurance may be reinsured by Gateway Life Insurance Company, an affiliate of Citicorp Personto-Person Financial Center, Inc.; further, in regard to the sale of credit related insurance, the subsidiary does not act as a general insurance agency) at 3525 North Causeway Boulevard, Metaire, Louisiana, through its subsidiary, Nationwide Financial Services Corporation presently operating as Citicorp Person-to-Person Financial Center, Inc. (3/31/78) 3/

Citicorp, New York, New York, notification of intent to engage in de novo activities (making loans to individuals and businesses secured by real and personal property, the proceeds of which may be for purposes other than personal, family or household usage; sale of credit related life/accident and health, or decreasing or level (in the case of single payment loans) term life insurance to cover the outstanding balances on credit transactions (singly or jointly with co-signers in the case of life coverage) in the event of death, or, to make

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

contractual monthly payments on the credit transactions in the event of the obligator's disability by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; credit related decreasing term life insurance and accident and health insurance may be reinsured by Gateway Life Insurance Company, an affiliate of Nationwide Financial Corporation of Florida/Nationwide Acceptance Corporation of Florida; further, in regard to the sale of credit related insurance, the subsidiary does not act as a general insurance agency) at 2131 Hollywood Blvd., Suite 103, Hollywood, 5812-5814 Stirling Road, Hollywood and 1940 South Tamiami Trail, Sarasota, all located in Florida, through its subsidiary, Nationwide Financial Services Corporation presently operating as Nationwide Financial Corporation of Florida/Nationwide Acceptance Corporation of Florida (3/31/78) 3/

Mercantile Bankshares Corporation, Baltimore, Maryland, 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 mortgage company) at U.S. Rt. 301 and State Rt. 228, Waldorf, Maryland and State Rt. 235 at St. Andrews Road, California, Maryland, through a subsidiary, Mercantile Mortgage Corporation (3/27/78) 3/

The First National Bancorporation, Inc., Denver, Colorado, notification of intent to engage in de novo activities (originating, processing and closing VA, FHA, and Conventional permanent real estate mortgage loans in the Grand Junction, Colorado area and its environs, to and including the towns or communities of Clifton, Palisade and Fruita, Colorado, and in the Delta, Colorado area and its environs, to and including the towns or communities of Cedaredge and Paonia, Colorado) at 359 Main Street, Grand Junction, Colorado, through its wholly-owned subsidiary, First Denver Mortgage Company (3/27/78) 3/

First Okmulgee Corporation, Okmulgee, Oklahoma, notification of intent to engage in de novo activities (offering credit life insurance and credit accident and health insurance in connection with extensions of credit by First Okmulgee Corporation and its subsidiary bank, The

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

First National Bank & Trust Company, Okmulgee, Oklahoma, by acquiring the beneficial interest in First Okmulgee Business Trust, Okmulgee, Oklahoma, which will own shares of First Okmulgee Insurance Agency, Inc., Okmulgee, Oklahoma) at 101 West Sixth, Okmulgee, Oklahoma (3/31/78) 3/

U.S. Bancorp, Portland, Oregon, notification of intent to engage in de novo activities (making, acquiring, and servicing of loans and other extensions of credit, either secured or unsecured, for its own account or for the account of others including, but not limited to, commercial, rediscount and consumer loans; installment sales contracts and other forms of receivables; leasing of personal property and equipment in comformance with the provisions of section 225.4(a)(6)(a) of Regulation Y; and acting as insurance agent with regard to credit life and disability insurance, property and casualty insurance solely in connection with extensions of credit by U.S. Bancorp Financial, Inc.) at One Wilshire Building, 624 South Grand, Los Angeles, California, through its subsidiary, U.S. Bancorp Financial, Inc. (4/1/78) 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

First Bank of Colonia, Colonia, New Jersey. Branch to be established as a mini-branch office at Skyline Avenue & Lake Avenue, Woodbridge Township, Middlesex County.

Colonial State Bank, Marion, South Carolina. Branch to be established at 1301 Main Street, Marion, Marion County.

United California Bank, Los Angeles, California. Branches to be established at the following locations:

- A. In the vicinity of the intersection of Lake Forest Drive and The San Diego Freeway, Unincorporated Community of Lake Forest, Orange County,
- B. In the vicinity of the intersection of East Hillsdale and Foster City Boulevards, Foster City, San Mateo County.

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

International Bank, Denver, Colorado.

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To Establish an Overseas Branch of a Member Bank Pursuant to Section 25 of the Federal Reserve Act

National Bank of Detroit, Detroit, Michigan: to establish a branch in Nassau, Bahamas.

The Alamo National Bank, San Antonio, Texas: to establish a foreign branch to be located in the Cayman Islands.

- To Form a Bank Holding Company Pursuant to Section 3(a)(1) of the Bank Holding Company Act of 1956
- Keystone Bancshares, Inc., Monona, Iowa, for approval to acquire 80 per cent or more of the voting shares of Peoples State Bank, Elkader, Iowa.
- Sibley Bancorporation, Sibley, Iowa, for approval to acquire 80 per cent of the voting shares of The First National Bank of Sibley, Sibley, Iowa.
- Missouri State Financial Corporation, St. Louis, Missouri, for approval to acquire 80 per cent of the voting shares of Missouri State Bank and Trust Company, St. Louis, Missouri.
- Phelps County Bancshares, Inc., Rolla, Missouri, for approval to acquire 80 per cent or more of the voting shares of Phelps County Bank, Rolla, Missouri.
- AMERICAN BANCOR, LTD., Dickinson, North Dakota, for approval to acquire 97.75 per cent of the voting shares of American State Bank of Dickinson, Dickinson, North Dakota; to acquire 100 per cent of the voting shares of American State Bank of New England, New England, North Dakota; and to acquire 100 per cent of the voting shares of American State Bank of Killdeer, Killdeer, North Dakota.
- Polk County Banco, Inc., Centuria, Wisconsin, for approval to acquire 90 per cent or more of the voting shares of Polk County Bank, Centuria, Wisconsin.
- Commerce Companies, Inc., Topeka, Kansas, for approval to acquire 80 per cent or more of the voting shares of Commerce Bank and Trust, Topeka, Kansas.
- Farmers Banshares of Abilene, Inc., Abilene, Kansas, for approval to acquire 80 per cent or more of the voting shares of The Farmers National Bank of Abilene, Abilene, Kansas.
- First-Taylor Financial Corporation, Taylor, Texas, for approval to acquire 80 per cent of the voting shares of First-Taylor National Bank, Taylor, Texas.

The Kyowa Bank, Ltd., Tokyo, Japan, for approval to acquire 100 per cent of the voting shares of Kyowa Bank of California, Los Angeles, California, a proposed new bank.

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

- Fidelity Union Bancorporation, Newark, New Jersey, for approval to acquire 100 per cent of the voting shares of Burlington County Trust Company, Moorestown, New Jersey.
- First Bancgroup-Alabama, Inc., Mobile, Alabama, for approval to acquire 100 per cent of the voting shares of the successor by merger to Eastern Shore National Bank, Daphne, Alabama.
- Chemical Financial Corporation, Midland, Michigan, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by consolidation to National Bank of Marshall, Marshall, Michigan.
- Mercantile Bancorporation Inc., St. Louis, Missouri, for approval to acquire at least 90 per cent (plus directors' qualifying shares) of the voting shares of First National Bank of Doniphan, Doniphan, Missouri.
- Otto Bremer Company, St. Paul, Minnesota, for approval to acquire 68.2 per cent of the voting shares of The First National Bank of Crookston, Crookston, Minnesota.
- Republic of Texas Corporation, Dallas, Texas, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of The First National Bank in Mineral Wells, Mineral Wells, Texas.

To Retain Bank Shares Acquired in a Fiduciary Capacity Pursuant to Section 3 of the Bank Holding Company Act of 1956

The Citizens and Southern Corporation, Charleston, South Carolina, for permission to retain 5,400 shares of the 60,000 outstanding shares of Bank of York, York, South Carolina.

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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 (making loans to individuals and businesses secured by real and personal property, the proceeds of which may be for purposes other than personal, family or household usage; sale of credit related life/accident and health, or decreasing or level (in the case of single payment loans) term life insurance to cover the outstanding balances on credit transactions (singly or jointly with co-signers in the case of life coverage) in the event of death, or, to make contractual monthly payments on the credit transactions in the event of the obligator's disability by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; the sale of credit related property and casualty insurance protecting personal and real property subject to a security agreement with Citicorp Person-to-Person Financial Center and to include liability coverage in home or automobile policies where such is the general practice by licensed agents or brokers to the extent permissible under applicable State insurance laws and regulations; credit related decreasing term life insurance and accident and health insurance may be reinsured by Gateway Life Insurance Company, an affiliate of Citicorp Person-to-Person Financial Center; further, in regard to the sale of credit-related insurance, the subsidiary does not act as a general insurance agency) at 2235 E. Broadway, Tucson; 3601 E. Broadway #8, Tucson; 201 N. Stone, Tucson; Park Mall Shopping Center, 5870 E. Broadway, Tucson; and 169 Fry Blvd., Sierra Vista, all located in Arizona, through its subsidiary, Nationwide Financial Services Corporation presently operating as Citicorp Person-to-Person Financial Center (3/30/78)

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

Mellon National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (acting as insurance agent with respect to credit property insurance on personal property subject to security agreements with Local Loan Co. or its wholly-owned subsidiaries, purchase of this insurance through Local Loan Co. is solely at the option of the borrower and the borrower is advised of this option in advance; Local Loan Co. does not act as a general insurance agent) at various offices of Local Loan Co. located throughout the State of Florida, through its wholly-owned subsidiary, Local Loan Co. (3/29/78) 3/

Pittsburgh National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (the activity of mortgage banking including the making, acquiring and servicing for its own accounts or the accounts of others, loans and other extensions of credit) at Medical Art Building, Suite No. 204, 890 Poplar Church Road, Camp Hill, Pennsylvania, through its wholly-owned subsidiary, The Kissell Company (3/20/78) 3/

Union Trust Bancorp, Baltimore, Maryland, notification of intent to engage in de novo activities (making secondary mortgage loans secured in whole or in part by mortgage, deed of trust, security agreement or other lien on real estate situated in the State of Maryland which property may be subject to one or more encumbrances or other leasehold interests; and acting as agent in the sale of credit life insurance and credit accident and health insurance in connection with its extension of credit) at 3610 Milford Mill Road, Baltimore, Maryland, through its subsidiary, Union Home Loan Corporation (3/29/78) 3/

Deposit Guaranty Corp., Jackson, Mississippi, notification of intent to continue 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 mortgage company and of servicing loans and other extensions of credit for any person; at offices located in Pearl, North Jackson, Meridian and Tupelo, Mississippi; Baton Rouge and New Orleans, Louisiana and Tampa, Florida, through a subsidiary, Deposit Guaranty Mortgage Company (3/30/78) 3/

 $[\]frac{3}{4}$ 4(c)(8) and 4(c)(12) notifications processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

Exchange Bancorporation, Inc., Tampa, Florida, notification of intent to engage in de novo activities (the business of acting as agent for the sale of credit life/accident and health insurance pursuant to Section 225.4(a)(9) of Regulation Y, directly related to extensions of credit by the bank holding company and/or its banking and nonbank subsidiaries) in offices located in Clearwater, Holiday, Winter Haven, Haines City, Fort Myers, Bradenton, Clermont, Kissimmee, Tampa, and Temple Terrace, Florida, through a subsidiary, Exchange Financial Services, Inc. (3/29/78) 3/

Central National Bancshares, Inc., Des Moines, Iowa, notification of intent to relocate de novo activities (leasing personal property and equipment or acting as agent, broker, or adviser in leasing of such property where at the inception of the initial lease the expectation is that the effect of the transaction and reasonably anticipated future transactions with the same lessee as to the same property will be to compensate the lessor for not less than the lessor's full investment in the property plus the estimated total cost of financing the property over the term of the lease and where the lease otherwise conforms with Section 225.4 (a)(6)(a) of Regulation Y, as amended, of the Board of Governors of the Federal Reserve System) from 5 West State Street, Mason City, Iowa to Suite 900, Central National Bank Building, Locust at Sixth Avenue, Des Moines, Iowa, through its subsidiary, Leasing, Inc. (3/27/78) 3/

National Detroit Corporation, Detroit, Michigan, 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 under the Small Loan Act and the purchase of sales finance contracts; and acting as an insurance agent or broker for the sale of credit related life/accident and health insurance) at 3224 Pickett Road, Fairfax, Virginia, through its subsidiary, Instaloan Financial Services, Inc. (3/31/78) 3/

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

River Cities Investment Co. and its subsidiary, Investment Management, Inc., both of Bettendorf, Iowa, notification of intent to continue to engage in de novo activities (providing bookkeeping or data processing services and storing and processing other bank, banking, financial related economic data for banking institutions) at 100 E. Kimberly Road, Davenport, Iowa, through its subsidiary, Mid-America Financial Services, Ltd. (3/28/78) 3/

Polaris Financial Corporation, Hutchinson, Kansas, notification of intent to engage in <u>de novo</u> activities (originating personal property leases which serve as the functional equivalent of an extension of credit to the lessee) at 2094 Moccasin, Lawrence, Kansas, through a subsidiary, Polaris Leasing Corporation, Hutchinson, Kansas (3/28/78) 3/

Republic of Texas Corporation, Dallas, Texas, for approval to retain 100 per cent of the voting shares of Exchange Security & Investment Company, Dallas, Texas and its wholly-owned subsidiary, Exchange National Life Insurance Company, Scottsdale, Arizona.

Wells Fargo & Company, San Francisco, California, notification of intent to engage in de novo activities (acting as underwriter for credit life insurance directly related to extensions of credit by subsidiaries of Wells Fargo & Company, including Wells Fargo Bank, N.A. in the State of California) at 6710 East Camelback Road, Suite 106, Scottsdale, Arizona, through its indirect subsidiary, Central Western Insurance Company, a subsidiary of Wells Fargo Finance Corporation.

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REPORTS RECEIVED

None.

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PETITIONS FOR RULEMAKING

None.

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