

ANNOUNCEMENT BY

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
(H.2, 1978 No. 38)

Actions of the Board; Applications and Reports

Received During the Week Ending September 23, 1978

ACTIONS OF THE BOARD

Regulation T amendment, to permit brokers or dealers to extend and maintain credit on certain nonconvertible corporate bonds. (Docket No. R-0080)

Report on bill S. 3485, letter to Chairman Proxmire, Senate Committee on Banking, Housing and Urban Affairs, regarding proposed legislation that would improve the Nation's financial system by promoting competitive equality among depository institutions and enhancing the effectiveness of monetary policy.

Report on bill H.R. 12510, the "Federal Reserve Act Amendments of 1978", letter to Chairman Mitchell, Subcommittee on Domestic Monetary Policy of the House Banking Committee regarding the co-terminous term of the Chairman and Vice Chairman of the Federal Reserve Board.

Report on bill H.R. 13471, The Financial Institutions Regulatory Act of 1978, response to request for comments on proposed amendments to the Act sent to Chairman St. Germain, Subcommittee on Financial Institutions Supervision, Regulation and Insurance of the House Banking Committee.

Policy statement regarding intercorporate income tax accounting transactions of bank holding companies and State-chartered banks that are members of the Federal Reserve System.

Bank supervisory agencies (Federal), adoption of a uniform interagency system for rating the trust departments of the nation's commercial banks.

Policy statement for the administration of service contracts in the Federal Reserve System.

Discount rate increase from 7-3/4 per cent to 8 per cent.

ACTIONS OF THE BOARD-Continued

Balch Springs Bancshares, Inc., Balch Springs, Texas, extension of time to November 27, 1978, within which to consummate the acquisition of First Bank, Balch Springs, Texas. 1/

FirstTrust Bancshares Corporation, Cedar Rapids, Iowa, extension of time to November 22, 1978, within which to become a bank holding company through the acquisition of 90 per cent or more of the voting shares of First Trust & Savings Bank, Cedar Rapids, Iowa. 1/

Hamlin Financial Corporation, Hamlin, Texas, extension of time to October 6, 1978, within which to file its registration statement. 1/

Kenco Bancshares, Inc., Jayton, Texas, extension of time to December 29, 1978, within which to consummate the acquisition of Kent County Bank, Jayton, Texas. 1/

Metropolitan Bank and Trust Company, Philippine Securities Corporation, and Tytana Corporation, all of Makati, Rizal, Philippines, extension of time to December 22, 1978, within which to acquire shares of International Bank of California, Los Angeles, California. 1/

SWB Corporation, Oklahoma City, Oklahoma, extension of time to December 20, 1978, within which to consummate the acquisition of Southwestern Bank and Trust Company, Oklahoma City, Oklahoma. 1/

Texas Commerce Bancshares, Inc., Houston, Texas, extension of time to December 20, 1978, within which to consummate the acquisition of South Belt Commerce Bank, National Association, Houston, Texas, a proposed new bank. 1/

United Missouri Bancshares, Inc., Kansas City, Missouri, extension of time to December 25, 1978, within which to consummate the acquisition of City Bond and Mortgage Company, Kansas City, Missouri. 1/

Flagship Bank of Tampa, Tampa, Florida, extension of time to March 15, 1979, within which to merge with Flagship Bank of Town N' Country, Tampa, Florida, Flagship Bank of Tampa - East, Tampa, Florida, and Flagship Bank of Lutz, Lutz, Florida. 1/

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

ACTIONS OF THE BOARD-Continued

- Citizens Bank & Trust Company, Park Ridge, Illinois, to make an investment in bank premises. 1/
- Issuance of subordinated capital notes by Jefferson Bank & Trust, Lakewood, Colorado. 1/
- Farmers Bank of Kutztown, Kutztown, Pennsylvania, proposed merger with National Central Bank, Lancaster, Pennsylvania; report to the Comptroller of the Currency on competitive factors. 1/
- Guaranty National Bank, Houston, Texas, proposed merger with Guaranty Bank of Commerce National Association, Houston, Texas; report to the Comptroller of the Currency on competitive factors. 1/
- Harrison Deposit Bank and Trust Company, Cynthiana, Kentucky, proposed merger with Harrison State Bank Company, Cynthiana, Kentucky; report to the Federal Deposit Insurance Corporation on competitive factors. 1/
- Lee County Bank, Opelika, Alabama, proposed merger with The Bank of East Alabama, Opelika, Alabama; report to the Federal Deposit Insurance Corporation on competitive factors. 1/
- 900 Congress State Bank, Austin, Texas, proposed merger with Texas State Bank, Austin, Texas; report to the Federal Deposit Insurance Corporation on competitive factors. 1/
- Union Bank, Los Angeles, California, extension of time to September 17, 1978, within which to effect divestiture of shares of Ihop Corp. 1/

1/ Applications processed on behalf of the Board of Governors 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

First National Boston Corporation, Boston, Massachusetts: grants consent to continue holding the shares of the First National Bank of Boston (Guernsey) Ltd. (FNBB Guernsey), St. Peter Port, Channel Islands after FNBB Guernsey organizes three unit trusts, Boston Equity Investments Fund, Boston Income Investments Fund, and Boston International Equity Investment Fund, all of which will be engaged by FNBB and FNBB Guernsey.

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

Approved

United California Bank, Los Angeles, California: grants permission to establish a branch in Hong Kong, B.C.C.

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

Approved

Guaranty Bank and Trust Company, Florence, South Carolina. Branch to be established at the intersection of Interstate Highways 20 and 95, Florence County. 2/

Central Bank of Northern Virginia, Bailey's Crossroads, Virginia. Branch to be established in the Burke Town Plaza Shopping Center, 9516 Old Kenne Mill Road, Burke, Fairfax County. 2/

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

ACTIONS OF THE BOARD-Continued

United Virginia Bank of Charlottesville, Charlottesville, Virginia. Branch to be established in the Albemarle Square Shopping Center, at the intersection of U.S. Route 29 and Rio Road, Albemarle County. 2/

South County Bank, Venice, Florida. Branch to be established at 100 North Tamiami Trail, Nokomis. 2/

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

Approved

Bank of Utah, Ogden, Utah, to merge with Bank of Brigham City, Brigham City. 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

Withdrawn

Fayette Bancorporation, Marion, Iowa, for approval to acquire 80 per cent or more of the voting shares of Citizens Savings Bank, Hawkeye, Iowa.

Approved

Herget Financial Corp., Pekin, Illinois, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The Herget National Bank of Pekin, Pekin, Illinois.

Northern Cities Bancorporation, Inc., Anoka, Minnesota, for approval to acquire 80.4 per cent of the voting shares of State Bank of Anoka, Anoka, Minnesota. 2/

St. Joseph Bancshares, Inc., St. Joseph, Missouri, for approval to acquire 99.6 per cent or more (less directors' qualifying shares) of the voting shares of Farmers State Bank, St. Joseph, Missouri.

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

ACTIONS OF THE BOARD-Continued

State Exchange Bancshares, Inc., Yates Center, Kansas,
for approval to acquire 85 per cent or more of the
voting shares of The State Exchange Bank, Yates Center,
Kansas. 2/

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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

Exchange Bancorporation, Inc., Tampa, Florida, for ap-
proval to acquire 80 per cent or more of the voting
shares of The Vanderbilt Bank, Collier County (P.O.
Naples), Florida.

Duclarkee, Inc., Knoxville, Iowa, for approval to retain
31.64 per cent of the voting shares of Iowa State
Savings Bank, Knoxville, Iowa.

First American Bank Corporation, Kalamazoo, Michigan,
for approval to acquire 100 per cent of the voting
shares of the successor by merger to Van Buren State
Bank, Hartford, Michigan. 2/

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

Returned

Banko, Inc., Osceola, Iowa, notification of intent to
continue to engage in de novo activities (acting as
agent or broker in the sale of credit life, health and
accident insurance incidental to extensions of credit by
its subsidiary) at U.S. Highway 34 West, Osceola, Iowa,
through its subsidiary, Banko Insurance Agency (9/20/78)
3/

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

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

Reactivated

First Pennsylvania Corporation, Philadelphia, Pennsylvania, notification of intent to expand the activities of subsidiaries (sale of credit-related property damage and liability insurance on collateral at the offices of Ellwood Consumer Discount Company in Ellwood City, Aliquippa and Beaver Falls, all in Pennsylvania) (9/22/78) 3/

Permitted

Mellon National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (acting as insurance agent or broker with respect to credit life insurance, credit accident and health insurance, and/or mortgage redemption insurance which insurance is directly related to an extension of credit by Mellon National Mortgage Company of Colorado, such insurance will be associated with mortgage loans made by Mellon National Mortgage Company of Colorado) in or around the cities of Denver, Colorado and Phoenix, Arizona, through its wholly-owned subsidiary, Laurel Insurance Agency, Inc. (9/20/78) 3/

Pittsburgh National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (mortgage banking, including the making or acquiring and servicing for its own accounts or the accounts of others, loans and other extensions of credit) at 150 Executive Center Drive, Suite 209, Greenville, South Carolina, through its wholly-owned subsidiary, The Kissell Company (9/17/78) 3/

Southern Bancorporation, Inc., Greenville, South Carolina, notification of intent to engage in de novo activities (making extensions of credit as a licensed consumer finance lender under The Consumer Finance Division; and acting as agent for the sale of credit related life, accident and disability insurance, and credit related property and casualty insurance issued in connection with the above-mentioned extensions of credit) at 131 "A" Caldwell Street, Rock Hill, South Carolina, through its subsidiary, World Acceptance Corporation d/b/a World Finance of Rock Hill (9/21/78) 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

First Alabama Bancshares, Inc., Birmingham, Alabama, notification of intent to engage in de novo activities (the FAB Agency, Inc. proposes to engage in the activities of acting as insurance agent or broker for the sale of physical damage insurance which is directly related to an extension of credit or the provision of other financial services by a bank or bank related subsidiary of First Alabama Bancshares, Inc.) in Athens, Bay Minette, Bayou La Batre, Birmingham, Dothan, Gadsden, Guntersville, Hartselle, Huntsville, Montgomery, Phenix City, Selma, Tuscaloosa and Notasulga, all in Alabama (9/23/78) 3/

Rainier Bancorporation, Seattle, Washington, 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) at 1351 Hudson Street, Longview, Washington, through its subsidiary, Rainier Mortgage Company (9/21/78) 3/

Rainier Bancorporation, Seattle, Washington, 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) at 102 East Yakima Avenue, Yakima, Washington, through its subsidiary, Rainier Mortgage Company (9/23/78) 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 Lorain Trust Company, Lorain, Ohio. Branch to be established at 1920 Cooper Foster Park Road, Lorain, Lorain County.

The Bridgeville Trust Company, Bridgeville, Pennsylvania. Branch to be established at Route 519, South Fayette Township, Allegheny County.

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

Manufacturers Hanover Trust Company, New York, New York: requests consent to establish an initial branch in Madrid, Spain.

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

Townsend Financial Corporation, Parsons, Tennessee, for approval to acquire 90 per cent of the voting shares of Farmers Bank, Parsons, Tennessee.

CITIZENS, INC., Winsted, Minnesota, for approval to acquire 89.67 per cent of the voting shares of Citizens State Bank of Winsted, Winsted, Minnesota.

THE FISCHER CORPORATION, Lewiston, Minnesota, for approval to acquire 86.4 per cent of the voting shares of Security State Bank of Lewiston, Lewiston, Minnesota.

CITIZENS BANKSHARES, INC., Farmington, New Mexico, for approval to acquire 80 per cent or more (except directors' qualifying shares) of the voting shares of The Citizens Bank, Farmington, New Mexico.

APPLICATIONS RECEIVED-Continued

Oklahoma National Banshares, Inc., Oklahoma City, Oklahoma, for approval to acquire more than 80 per cent (less directors' qualifying shares) of the voting shares of Oklahoma National Bank and Trust Company, Oklahoma City, Oklahoma.

Carthage Bancshares, Inc., Carthage, Texas, for approval to acquire 80 to 99.85 per cent of the voting shares (less directors' qualifying shares) of The First National Bank of Carthage, Carthage, Texas.

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

First Banc Group of Ohio, Inc., Columbus, Ohio, for approval to acquire 100 per cent of the voting shares (except directors' qualifying shares) of the successor by merger to The Marion County Bank, Marion, Ohio.

St. Joseph Agency, Inc., South Bend, Indiana, for approval to acquire an additional 1.70 per cent of the voting shares of St. Joseph Bank and Trust Company, South Bend, Indiana, South Bend, Indiana.

Alpha Agency, Inc., Aztec, New Mexico and Pierce Agency, Inc., Aztec, New Mexico, for approval to acquire 44.6 per cent of CITIZENS BANCSHARES, INC., Farmington, New Mexico and indirectly 80 per cent or more of the voting shares of The Citizens Bank, Farmington, New Mexico.

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

Industrial National Corporation, Providence, Rhode Island, notification of intent to engage in de novo activities (origination and sale of residential mortgages and insurance agency for the sale of credit life and credit accident and health insurance directly related to an

APPLICATIONS RECEIVED-Continued

extension of credit) at Suite 204, 1100 East Sahara Avenue, Las Vegas, Nevada, through its indirect subsidiary, Mortgage Associates, Inc., Milwaukee, Wisconsin (a Rhode Island Corporation) which is a wholly-owned subsidiary of Industrial National Corporation's direct subsidiary, MAI Financial Corporation, Milwaukee, Wisconsin (a Wisconsin Corporation) (9/18/78) 3/

Manufacturers Hanover Corporation, New York, New York, notification of intent to engage in de novo activities (arranging, 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 finance company; 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 sales finance company including purchasing installment sales finance contracts; servicing any such loans and other extensions of credit for any persons; and acting as agent or broker for the sale of credit related life and accident and health insurance and property damage and liability insurance which is related to extensions of credit made and acquired by The Financial Source Inc. of Indiana) at 202 South Main Street, Salem, Indiana and 49 North Main Street, Franklin, Indiana, through its subsidiary, The Financial Source Inc. of Indiana (9/21/78) 3/

Manufacturers Hanover Corporation, 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, loans and other extensions of credit such as would be made by a finance company; 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 sales finance company including purchasing installment sales finance contracts; servicing any such loans and other extensions of credit for any person; acting as agent or broker for the sale of credit related life and accident and health insurance in all such extension of credit, and property damage and liability insurance in connection with sales finance and extensions of credit made and acquired by Ritter Finance Company, Inc. of Kentucky) at the Washington Square Center (Store #15) Georgetown, Kentucky, through its subsidiary, Ritter Finance Company, Inc. of Kentucky (9/22/78) 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

Maryland National Corporation, Baltimore, Maryland, notification of intent to engage in de novo activities (engaging generally in the business of leasing personal property (including, but not limited to, the leasing of various types of equipment, machinery, vehicles, transportation equipment, and data processing equipment and including conditional sales contracts and chattel mortgages) where the lease is the functional equivalent of an extension of credit; originating personal property leases as principal or agent; servicing personal property leases as principal or agent; buying, selling and otherwise dealing in personal property lease contracts as principal or agent; acting as adviser in personal property leasing transactions; and engaging in the sale, as agent or broker, of insurance similar in form and intent to credit life and/or mortgage redemption insurance) at 10 Light Street, Baltimore, Maryland and 300 E. Joppa Road, Towson, Maryland, through its wholly-owned subsidiary, Maryland National Leasing Corporation, through a subsidiary to be known as Maryland National Leasing Services Corporation (9/21/78) 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 its extensions of credit) at 127 Park Avenue, N.W., Aiken, South Carolina, through its subsidiary, Landmark Financial Services, Inc. (9/21/78) 3/

Central Bancorp, Inc., Miami, Florida, notification of intent to engage in de novo activities (placing credit life and accident and health insurance in connection with extensions of credit granted by subsidiary banks) at 1313 N.W. 36 Street, Miami, Florida, through a subsidiary, Central Agency, Inc. (9/18/78) 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

West Georgia Financial Corporation, Tallapoosa, Georgia, for approval to engage in acting as insurance agent or broker for the sale of credit life and accident and health insurance that is directly related to the extension of credit by a bank or bank related firm, such activities will be conducted in Tallapoosa, Georgia.

Peoples Bankshares, Inc., Mora, Minnesota, notification of intent to engage in de novo activities (making loans to individuals, partnerships and corporations for the purpose of financing farm personal property, real estate and contracts for deeds) at 45 North Union, Mora, Minnesota, through their subsidiary, Peoples Credit Company of Mora, Minnesota, Inc. (9/15/78) 3/

Midland Capital Co., Oklahoma City, Oklahoma, notification of intent to relocate de novo activities (mortgage banking, including origination and servicing of all types of residential and commercial mortgage loans) from 2480 W. 26th Avenue to a new office located at 7059 E. West Alameda, Denver, Colorado, through its subsidiary, Midland Mortgage Co. (9/20/78) 3/

Oklahoma National Banshares, Inc., Oklahoma City, Oklahoma, for approval to engage in the activity of offering credit life insurance and credit accident and health insurance in connection with extensions of credit by its subsidiary bank, Oklahoma National Bank and Trust Company, Oklahoma City, Oklahoma, by acquiring the beneficial interest in Myriad Company, Oklahoma City, Oklahoma, a proposed business trust which will own shares of Myriad Insurance Agency, Inc., Oklahoma City, Oklahoma.

Commercial Security Bancorporation, Ogden, Utah, notification of intent to engage in de novo activities (to act as a lender in making or acquiring of consumer loans; CSB Leasing, Inc. has entered into an agreement with State Farm International Services, Inc. whereby local State Farm Insurance agents will assist in the arranging and developing of loans for the subsidiary; CSB Leasing, Inc. is acting as a regulated lender as provided for under the provisions of the Utah Uniform Consumer Credit Code) at 1065 North Highway 89, North Salt Lake City; 858 East 9400 South, Sandy; 136 South Main Street, Helper; 609 East Main Street, Price; 305 North Broadway, Green River; and 245 State Highway, Wendover, all in Utah, through its subsidiary, CSB Leasing, Inc. (9/15/78) 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

Seilon, Inc., Toledo, Ohio, notification of intent to engage in de novo activities (leasing personal property and equipment or acting as agent, broker or adviser in leasing such property where at the inception of the initial lease the effect of the transaction (and, with respect to governmental entities only, reasonably anticipated future transactions) will yield a return that will 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 as is authorized by the Federal Reserve Board under Regulation Y and the Bank Holding Company Act) at 6001 Marble N.E., Albuquerque, New Mexico, through its subsidiary, Bancorporation Leasing (9/14/78) 3/

Wells Fargo & Company, San Francisco, California, notification of intent to engage in de novo activities (making or acquiring, loans and other extensions of credit including commercial loans secured by a borrower's inventory, accounts receivable or other assets; servicing loans for the account of others; and making full pay-out leases of personal property to the extent permitted by section 225.4(a)(6)(a) of Regulation Y of the Federal Reserve Board) at 4100 McEwen Road, Dallas, Texas, through its subsidiary, Wells Fargo Business Credit (9/19/78) 3/

Wells Fargo & Company, San Francisco, California, notification of intent to engage in de novo activities (making or acquiring loans and other extensions of credit, including acquiring consumer installment loans originated by others and making or acquiring commercial loans secured by a borrower's or a guarantor's assets; servicing loans for the account of others; making full pay-out leases of personal property to the extent permitted by Section 225.4(a)(6)(a) of Regulation Y of the Federal Reserve Board; and acting as agent for the credit life or accident and health insurance related to its extensions of credit, such services will be offered in the Phoenix, Arizona, metropolitan area to the following types of accounts: finance companies, banks, and other lending institutions; manufacturers, distributors, and other corporations or businesses, and individuals) at 6900 East Camelback Road, Scottsdale, Arizona, 3101 West Peoria Avenue, Phoenix, Arizona and 4520 North Central Avenue, Phoenix, Arizona, through its subsidiary, Wells Fargo Credit Corporation (9/13/78) 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

Registration Statement filed Pursuant to Section 12(g)
of the Securities Exchange Act

The Bristol Bank, Bristol, New Hampshire (Amendment #1).

The City Bank Company, Lorain, Ohio (Amendment #1).

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

The Savings & Trust Company of Pennsylvania, Indiana,
Pennsylvania.

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PETITIONS FOR RULEMAKING

None.