

ANNOUNCEMENT BY  
BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
(H.2, 1979 No. 6)

Actions of the Board; Applications and Reports

Received During the Week Ending February 10, 1979

ACTIONS OF THE BOARD

Statement by Governor Henry C. Wallich before the Senate Banking Committee on the views of the Federal Reserve Board on extending the Council on Wage and Price Stability for two years.

Consumer Affairs and Civil Rights Compliance Program, the Board announced an expanded and strengthened program to improve compliance by member banks.

Change in Bank Control Act of 1978, the Board has adopted a policy statement and revised its Regulation Y to implement the Act. (Docket No. R-0199)

The Board adopted a system for appraising and rating the performance and financial condition of bank holding companies.

Bank of the Commonwealth, Detroit, Michigan, permission to make an additional investment in bank premises.

Issuance of subordinated capital notes by Summit State Bank of Richfield, Richfield, Minnesota.

National Detroit Corporation, Detroit, Michigan, extension of time to May 13, 1979, within which to acquire 100 per cent of the voting shares of NBD-Portage Bank, Portage, Michigan (in organization). 1/

Commerce Bank of Kirkwood, Kirkwood, Missouri, permission to make an investment in bank premises. 1/

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

Northern Virginia Bank, Springfield, Virginia, permission to invest in bank premises. 1/

Dollar Savings Bank Company, Niles, Ohio, extension of time to August 19, 1979, within which to establish a branch at 5845 Warren-Youngstown Road, Niles, Ohio. 1/

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

ACTIONS OF THE BOARD-Continued

Farmers and Merchants Bank of Central California, Lodi, California, extension of time to August 22, 1979, within which to establish a branch at McHenry Avenue between Woodrow and Floyd Avenues, North Modesto, California. 1/

Provident Bank, Cincinnati, Ohio, extension of time to September 19, 1979, within which to establish a branch at 1994 Madison Road, Cincinnati, Ohio. 1/

United California Bank, Los Angeles, California, extension of time to August 21, 1979, within which to establish a branch in the vicinity of Stevens Creek Boulevard and Wolfe Road, City of Cupertino, California. 1/

Pitkin County Bank and Trust Company, Aspen, Colorado, extension of time to July 31, 1979, within which to complete its application for membership in Federal Reserve System. 1/

Arkansas Bank and Trust Company, Hot Springs, Arkansas, extension of time to August 25, 1979, within which to complete the sale of subordinated capital notes to the public. 1/

Issuance of a subordinated capital note by Bank of El Paso, El Paso, Texas. 1/

Collegiate State Bank of Fort Worth, Fort Worth, Texas, proposed merger with University Bank, Fort Worth, Texas; report to the Federal Deposit Insurance Corporation on competitive factors. 1/

H.C.B. National Bank of Norwalk, Norwalk, Ohio, proposed merger with The Huron County Banking Company, National Association, Norwalk, Ohio; report to the Comptroller of the Currency on competitive factors. 1/

Heritage Savings Bank, Kingston, New York, proposed merger with Albany Savings Bank, Albany, New York; report to the Federal Deposit Insurance Corporation on competitive factors. 1/

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

ACTIONS OF THE BOARD-Continued

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

Approved

Heritage Bank and Trust, Norfolk, Virginia. Branch to be established at 200 E. Plume Street, Norfolk. 1/ & 2/

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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

Approved

Morgan Guaranty International Finance Corporation, New York, New York: permission to amend Article "Ninth" of its Articles of Association to delete the requirement that all directors must be citizens of the United States.

Bank of America N.T. & S.A., San Francisco, California: consent to purchase and hold, directly or indirectly, an additional 1,601,752 shares of Commercial and General Acceptance Limited, Sydney, Australia.

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To Organize, or Invest in, a Corporation doing Foreign Banking and Other Foreign Financing Pursuant to Section 25 or 25(a) of the Federal Reserve Act

Approved

The First National Bank of Chicago, Chicago, Illinois: to establish an Edge Act Corporation to be known as First Chicago International-Southwest, Houston, Texas.

- 1/ Application processed on behalf of the Board of Governors under delegated authority.
- 2/ Application subject to Community Reinvestment Act.

ACTIONS OF THE BOARD-Continued

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

Suspended

WHITEWATER BANCORP., INC., Whitewater, Wisconsin, for approval to acquire 83.85 per cent of the voting shares of The First Citizens State Bank of Whitewater, Wisconsin, Whitewater, Wisconsin. 1 & 2/

Approved

Security State Bancshares, Inc., Stockdale, Texas, for approval to acquire 80-100 per cent (less directors' qualifying shares) of the voting shares of Security State Bank, Stockdale, Texas. 1 & 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

Society Corporation, Cleveland, Ohio, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to First National Bank of Clermont County, Bethel, Ohio. 1/ & 2/

Mercantile Texas Corporation, Dallas, Texas, for approval to acquire 100 per cent (less directors' qualifying shares) of the voting shares of Citizens National Bank of Austin, Austin, Texas. 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

Approved

First Hawaiian, Inc., Honolulu, Hawaii, for approval to continue to engage in the sale of credit related life, accident and health insurance in connection with extensions of credit made by its wholly-owned subsidiary, Hawaii Thrift & Loan, Incorporated, Honolulu, Hawaii.

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

2/ Application subject to Community Reinvestment Act.

ACTIONS OF THE BOARD-ContinuedReturned

1st State Corporation, Chicago, Illinois, notification of intent to engage in de novo activities (making or acquiring for its own account, commercial loans and other commercial extensions of credit, including secured and unsecured loans to individuals, corporations and partnerships such as would be made by a commercial bank, and leasing of automobiles to industry, banks and others where at the inception of the initial lease the effect of the transaction 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 automobiles over the term of the lease, and such leases shall contain such other terms and conditions as shall comply with Section 225.4(a)(6)(a) of Regulation Y issued by The Board of Governors of the Federal Reserve System) at 4646 North Cumberland Avenue, Chicago, Illinois. This returns the notification that was received on H.2 No. 2, 1979 (2/9/79) 3/

Delayed

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to continue to engage in de novo activities (provided investment advisory and investment management services for portfolios of fixed income securities of domestic and foreign customers wherever located and investment in and trading for its own account, bills, notes, bonds and other obligations of the United States Treasury, agencies of the United States Government, states, and political subdivisions of the foregoing, certificates of deposit and certain other obligations of banks and other securities obligations and contracts in which national banks are legally permitted to invest and trade for its own account) Philadelphia National Corporation proposes to transfer to itself from its subsidiary, The Philadelphia National Bank, the capital stock of Charter Atlantic Corporation and thereby to continue to engage through Charter Atlantic Corporation and its wholly-owned subsidiaries, Fischer, Francis, Trees and Watts, Inc. and Charter Atlantic Securities Inc., both of New York City, New York in the above activities which were originally commenced de novo by Philadelphia National Corporation through such subsidiaries while owned by the bank (2/8/79) 3/

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

ACTIONS OF THE BOARD-ContinuedPermitted

Chemical New York Corporation, New York, New York, notification of intent to engage in de novo activities (the origination and sale of mortgage loans on residential, commercial and industrial real estate; the servicing of mortgage loans owned by Galbreath Mortgage Company and owned by others) at 277 Park Avenue, New York, New York and International Boulevard and Peachtree Street, N.E., Atlanta, Georgia, through its subsidiary, The Galbreath Mortgage Company (2/10/79) 3/

Citicorp, New York, New York, notification of intent to engage in de novo activities (acting as agent or broker for the sale of credit related property and casualty insurance (on purchased installment sales finance contracts, said insurance will only be offered when such transactions are the equivalent of direct extensions of credit by Advance Mortgage Corporation) on property, generally mobile homes and one-to-four family residences where Advance Mortgage Corporation has a security interest and to include liability coverage in homeowner "package" policies where such is the general practice by licensed agents or brokers) at 9247 North Meridian Street, Indianapolis, Indiana, through its subsidiary, Advance Insurance Agency, Inc. at offices of Advance Mortgage Corporation in Phoenix, Arizona, Tucson, Arizona and Montgomery, Alabama (2/10/79) 3/

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) at 233 South Wacker Drive, Chicago, Illinois, through its subsidiary, Citicorp Industrial Credit, Inc. (2/10/79) 3/

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,

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

ACTIONS OF THE BOARD-Continued

and where the transaction is subject to all of the qualifications specified in 12 CFR 225.4(a)(6)(a) and (b) at 4615 Southwest Freeway, Houston, Texas and Three Girard Plaza, Philadelphia, Pennsylvania, through its subsidiary, Citicorp Industrial Credit, Inc. (2/10/79) 3/

Mellon National Corporation, Pittsburgh, Pennsylvania, 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; acting as insurance agency in connection with credit life and disability insurance which is directly related to the extension of credit or extension of other financial services by Carruth Mortgage Corporation) in the proximity of the intersection of McGregor Blvd. and Cypress Lake Drive, Fort Myers, Florida, through its wholly-owned subsidiary, Carruth Mortgage Corporation, New Orleans, Louisiana (2/4/79) 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 including consumer loans, the purchase of sales finance contracts, loans to small businesses and other extensions of credit such as would be made by a factoring company or finance company; and acting as an insurance agent or broker for the sale of credit related life and accident and health insurance) at 3627 Virginia Beach Blvd., Virginia Beach, Virginia, through its subsidiary, Installoan Financial Services, Inc. (2/3/79) 3/

Citizens Fidelity Corporation, Louisville, Kentucky, notification of intent to continue to engage in de novo activities (leasing of personal property and equipment and acting as agent, broker or adviser in the leasing of such property) at Bluegrass Commerce Center, 400 East Main Street, Lexington, Kentucky, through a subsidiary, Citizens Fidelity Leasing Corporation (2/10/79) 3/

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

ACTIONS OF THE BOARD—Continued

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

Permitted

Warner Communications Inc., New York, New York, notification of intent to acquire all the business of Coaxial Communications, Columbus, Ohio (2/9/79) 3/

Lumbermans Mutual Casualty Company, Long Grove, Illinois, notification of intent to acquire indirectly, through its subsidiary, Kemper Corporation, Long Grove, Illinois, an additional 47 per cent of the outstanding common stock of Hearex Occupational Health Services, Inc., Tampa, Florida (2/9/79) 3/

3/ 4(c)(8) or 4(c)(12) notification 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 Cleveland Trust Company, Cleveland, Ohio. Branch  
to be established on the south side of Detroit Road, 300  
feet west of Columbia Road, Westlake, Cuyahoga County.  
2/

The Cleveland Trust Company, Cleveland, Ohio. Branch  
to be established at the southwest corner of Chagrin  
Boulevard and Commerce Park Road, Beachwood, Cuyahoga  
County. 2/

Chemical Bank and Trust Company, Midland, Michigan.  
Branch to be established in the vicinity of 3858 M-13,  
Pinconning Township, Bay County. 2/

United California Bank, Los Angeles, California. Branch  
to be established in the vicinity of the intersection of  
Nineteenth and Carnelian Streets, City of Rancho Cucamoga,  
San Bernadino County. 2/

\* \* \* \* \*

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

Valley Bank and Trust Company, Bluefield, West Virginia.

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

Bank of Virginia, Richmond, Virginia: permission to  
establish a branch at Nassau, Bahamas.

The First National Bank of Chicago, Chicago, Illinois:  
consent to establish a branch in Madrid, Spain.

2/ Application subject to Community Reinvestment Act.

APPLICATIONS RECEIVED-Continued

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

First National Boston Corporation, Boston, Massachusetts, for approval to acquire 100 per cent of the voting shares of Southeastern Bank and Trust Company, New Bedford, Massachusetts. 2/

Ellis Banking Corporation, Bradenton, Florida, for approval to acquire 100 per cent of the voting shares of Pan American Bank of Altamonte Springs, Altamonte Springs, Florida. 2/

Ellis Banking Corporation, Bradenton, Florida, for approval to acquire 96 per cent or more of the voting shares of Pan American Bank of Ormond Beach, N.A., Ormond Beach, Florida. 2/

Ellis Banking Corporation, Bradenton, Florida, for approval to acquire 96 per cent or more of the voting shares of Pan American Bank of Volusia County, N.A., DeBary, Florida. 2/

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To Expand a Bank Holding Company Pursuant to Section 3(a)(5) of the Bank Holding Company Act of 1956

T.N.B. Financial Corp., Springfield, Massachusetts, for approval to merge with Pioneer Bancorp, Inc., Greenfield, Massachusetts. 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

First National Boston Corporation, Boston, Massachusetts, notification of intent to engage in de novo activities (to engage for its own account in the marketing of and to engage de novo in servicing activities) in Los Angeles, California, through a subsidiary, Invencheck, Inc. (2/9/79) 3/

2/ Application subject to Community Reinvestment Act.

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

APPLICATIONS RECEIVED-Continued

Chemical New York Corporation, New York, New York, notification of intent to engage in de novo activities (to act as an insurance agent for the purpose of making mortgage life and mortgage disability insurance available in connection with extensions of mortgage credit by Chemical Bank) at 5 Niagara Square, Buffalo, New York, through its subsidiary, Sunamerica Corporation (2/7/79) 3/

Citicorp, New York, New York, notification of intent to engage in de novo activities (purchasing and servicing for its own account consumer installment sales finance contracts; sale of credit related life and accident and health, or decreasing or level (in the case of single payment loans) term life insurance to cover the outstanding balances of 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 of the credit transactions in the event of the obligor's disability by licensed agents or broker 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 broker to the extent permissible under applicable State insurance laws and regulations) at 9000 Keystone Crossing, Suite 110, Indianapolis, Indiana, through its subsidiary, Citicorp Person-to-Person Financial Center, Inc. (2/8/79) 3/

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to continue to engage in de novo activities (provided investment advisory and investment management services for portfolios of fixed income securities of domestic and foreign customers wherever located and investment in and trading for its own account, bills, notes, bonds and other obligations of the United States Treasury, agencies of the United States Government, states, and political subdivisions of the foregoing, certificates of deposit and certain other obligations of banks and other securities obligations and contracts in which national banks are legally permitted to invest and trade for its own account) Philadelphia National Corporation proposes to transfer to itself from its subsidiary,

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

APPLICATIONS RECEIVED-Continued

The Philadelphia National Bank, the capital stock of Charter Atlantic Corporation and thereby to continue to engage through Charter Atlantic Corporation and its wholly-owned subsidiaries, Fischer, Francis, Trees and Watts, Inc. and Charter Atlantic Securities Inc., both of New York City, New York in the above activities which were originally commenced de novo by Philadelphia National Corporation through such subsidiaries while owned by the bank (1/2/79) 3/

Clark County Bancorporation, Inc., Winchester, Kentucky, notification of intent to engage in de novo activities (acting as agent or broker for the sale of life, accident and health, property and casualty insurance which are directly related to extensions of credit by its bank subsidiary and in the sale of any insurance to the company's banking subsidiary) such activities will be conducted on the premises of the subsidiary bank, Clark County Bank, Winchester, Kentucky (2/5/79) 3/

Mellon National Corporation, Pittsburgh, Pennsylvania, notification of intent to engage in de novo activities (general consumer finance activities including acting as insurance agent with respect to the sale of credit life insurance, credit accident and health insurance, and credit property insurance) at 6115 Hollywood Blvd. #1, Hollywood, Florida, through its wholly-owned subsidiary, Freedom Financial Services Corporation (2/8/79) 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 300 North Frederick Road, Gaithersburg, Maryland, through its subsidiary, Mercantile Mortgage Corporation (2/5/79) 3/

1st State Corporation, Chicago, Illinois, notification of intent to engage in de novo activities (making or acquiring, for its own account, commercial loans and other commercial extensions of credit including secured and unsecured loans to individuals, corporations and partnerships, for business purposes only such as would be made by a commercial bank, and

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

APPLICATIONS RECEIVED-Continued

leasing of automobiles to industry, banks and others, where at the inception of the initial lease the effect of the transaction 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 automobiles over the term of the lease, and such leases shall contain such other terms and conditions as shall comply with Section 225.4 (a) (6) (a) of Regulation Y issued by the Board of Governors of the Federal Reserve System) at 4646 North Cumberland Avenue, Chicago, Illinois (2/6/79) 3/

Michigan National Corporation, Bloomfield, Michigan, notification of intent to engage in de novo activities (acting as investment or financial adviser to the extent of (i) serving as investment adviser, as defined in Section 2(a)(20) of the Investment Company Act of 1940, to an investment company registered under the Act; (ii) providing portfolio investment advice to any other person; (iii) furnishing general economic information and advice, general economic statistical forecasting services and industry studies) at 1400 West Fourteen Mile Road, Clawson, Michigan, through a subsidiary, Michigan National Investment Corporation (2/7/79) 3/

Walter E. Heller International Corporation, Chicago, Illinois, notification of intent to engage in de novo activities (to engage in commercial finance, factoring activities) at Bassett Towers, 303 Texas Street, El Paso, Texas, through its subsidiary, Texas Western Financial Corporation (2/9/79) 3/

Fidelity Bankshares, Inc., Topeka, Kansas, notification of intent to engage in de novo activities (the sale of credit life insurance, credit accident and health insurance and other insurance directly related to extensions of credit by Fidelity State Bank and Trust Company, Topeka, Kansas, including, but not limited to, fire and casualty insurance covering residences, automobiles, boats, inventory, equipment and other property pledged to such bank to secure loans or lines of credit) at 600 Kansas Avenue, Topeka, Kansas (2/9/79) 3/

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

APPLICATIONS RECEIVED-Continued

First Newton Bankshares, Inc., Topeka, Kansas, notification of intent to engage in de novo activities (the sale of credit life insurance, credit accident and health insurance and other insurance directly related to extensions of credit by The First Bank, Newton, Kansas, including, but not limited to, fire and casualty insurance covering residences, automobiles, boats, inventory, equipment and other property pledged to such bank to secure loans or lines of credit) at 128 East Broadway, Newton, Kansas (2/9/79) 3/

Lyons Bankshares, Inc., Topeka, Kansas, notification of intent to engage in de novo activities (the sale of credit life insurance, credit accident and health insurance and other insurance directly related to extensions of credit by The Chandler Bank of Lyons, Lyons, Kansas, including, but not limited to, fire and casualty insurance covering residences, automobiles, boats, inventory, equipment and other property pledged to such bank to secure loans or lines of credit) at 201 East Avenue South, Lyons, Kansas (2/9/79) 3/

Crocker National Corporation, San Francisco, California, for approval to acquire the shares of Bishop Investment Corporation, Honolulu, Hawaii, indirectly acquire the shares of Bishop Trust Company Ltd., Bishop Building Co., Inc., Miles Crossing, Ltd. and Hawaii Finance Company, Limited, and indirectly acquire an interest in the Kamoku Development Company.

Patagonia Corporation, Tucson, Arizona, notification of intent to engage in de novo activities (originating residential mortgages for sale to permanent investors) at 3101 West Peoria Avenue, Phoenix, Arizona and 5100 N. Oracle Road, Tucson, Arizona, through its subsidiary, Western American Mortgage Company (2/1/79) 3/

Zions Utah Bancorporation, Salt Lake City, Utah, notification of intent to engage in de novo activities (the origination and acquisition of mortgage loans, including development and construction loans on multi-family and commercial properties for its own account or for the sale to others, the servicing of such loans for others; and acting as agent or broker for the sale of credit related life, accident and health insurance) in the vicinity of 614 East Center Street, Midvale, Utah, through its subsidiary, Zions Mortgage Company (1/31/79) 3/

3/ 4(c) (8) or 4(c) (12) notification 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

Heritage Bank and Trust, Norfolk, Virginia (Amendment  
#1)

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

The City Bank Company, Lorain, Ohio.

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Ownership Statement Filed Pursuant to Section 13(d)  
of the Securities Exchange Act

First Commercial Bank, Arlington, Virginia.  
(Filed by Paul E. Emerson dated 1-31-79)

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PETITIONS FOR RULEMAKING

None.