

ANNOUNCEMENT BY
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
(H.2, 1979 No. 12)

Actions of the Board; Applications and Reports

Received During the Week Ending March 24, 1979

ACTIONS OF THE BOARD

Statement by Governor J. Charles Partee before the Commerce, Consumer and Monetary Affairs Subcommittee of the House Committee on Government Operations concerning the administration of deposit rate ceilings and their effects on the rate of return available to small savers.

Report on bill H.R. 7, letter to Congressman Reuss, Chairman of House Banking Committee regarding legislative proposals to improve monetary control and to provide for greater competitive equity among depository institutions.

The Federal Reserve Board issued final regulations for consumer protection under two sections of the Electronic Funds Transfer Act; at the same time, the Board asked for public comment, through April 30, 1979, on proposals that would (1) require certain disclosures to all consumers with EFT cards regarding their financial responsibility for the use of lost or stolen EFT cards, and would (2) make these disclosures a precondition of imposing any liability.

Letter to American Telephone and Telegraph Company for a Board interpretation regarding exemption under Regulation Z of certain public utilities transactions, stating that the Board determined not to undertake an administrative rulemaking proceeding which would be required in order to amend Regulation Z to provide the exemption which AT&T requested.

Rules Regarding Delegation of Authority, the Federal Reserve Board increased delegation of authority to the Reserve Banks and to the Board staff.

DETROITBANK Corporation, Detroit, Michigan, extension of time to June 27, 1979, within which to acquire 100 per cent of the voting shares of The Detroit Bank-Novi, National Association, Novi, Michigan (in organization).

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

ACTIONS OF THE BOARD-Continued

Florida Bankshares, Inc., Hollywood, Florida, extension of time to June 25, 1979, within which to acquire additional shares of First National Bank of Sebring, Sebring, Florida. 1/

Royal Bank of Canada, Montreal, Canada, a one-year extension of time to indirectly retain all of the issued and outstanding capital stock of Willow Glen Holdings Inc., a Delaware Corporation. 1/

Royal Bank of Canada, Montreal, Canada, a one-year extension of time to retain indirectly 50 per cent of the issued and outstanding capital stock of S&G Industrial Park, Inc., a New York Corporation. 1/

Bankers Trust Company of Western New York, Jamestown, New York, to make an additional investment in bank premises. 1/

Manufacturers Hanover Trust Company, New York, New York, to make an additional investment in bank premises. 1/

State Bank of Howards Grove, Wisconsin, to make an investment in bank premises. 1/

Independent Bank and Trust Company, West Trenton, New Jersey, a six-month extension of time to October 6, 1979, within which to establish its branch at Interstate 95 and Bear Tavern Road, Ewing Township, New Jersey. 1/

Montana Bank of Billings, Billings, Montana, extension of time within which to establish a branch office and for issuance of subordinated capital notes. 1/

FNEP National Bank, Evergreen Park, Illinois, proposed merger with First National Bank of Evergreen Park, Evergreen Park, Illinois; report to the Comptroller of the Currency on competitive factors. 1/

New Bank of Roanoke, Roanoke, Virginia, proposed merger with Virginia National Bank, Norfolk, Virginia; report to the Comptroller of the Currency 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

The Bank of New York, New York, New York. Branch to
be established in the immediate vicinity of the
intersection of State Routes 22 and 312, Town of
Southeast, Putnam County. 1/ & 2/

Gaylord State Bank, Gaylord, Michigan. Branch to
be established at Old U.S. 27 North, Grayling
Road, I-75 Business Loop, Grayling Township,
Crawford County. 1/ & 2/

The State Bank & Trust Company, Defiance, Ohio.
Branch to be established at Caroline and Main
Streets, Paulding, Paulding County. 1/ & 2/

Tompkins County Trust Company, Ithaca, New York.
Branch to be established at Cornell Campus Store,
Cornell University, Ithaca, Tompkins County. 1/ & 2/

Manufacturers Hanover Trust Company, New York, New
York. Branch to be established at 707 Westchester
Avenue, White Plains, Westchester County. 1/ & 2/

Manufacturers Hanover Trust Company, New York, New
York. Branch to be established at 60 Cutter Mill
Road, Incorporated Village of Great Neck Plaza,
North Hempstead, Nassau County. 1/ & 2/

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International Investments and Other Actions Pursuant
to Section 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: consent to make an additional
investment, directly or indirectly, in Morgan
Guaranty Finance Limited, Hamilton, Bermuda.

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- 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

Bamerical International Financial Corporation,
San Francisco, California: consent to purchase
and hold, directly or indirectly, 100,000 additional
shares in Industrias Polifil, S.A., (Industrias),
Mexico City, Mexico, and to continue to hold the
shares of BankAmerica Holding Company, S.A., (BAHC)
Luxembourg, after BAHC acquires Bamerical's interest
in Industrias.

Seattle-First International Corporation, Seattle,
Washington: consent to purchase and hold, directly
or indirectly, an additional 700,000 common shares
of Seafirst Financial Services, Canada, Ltd.,
Edmonton, Alberta, 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 State Holding Company, Inc., Joplin, Missouri,
for approval to acquire 80 per cent or more of the
voting shares of First State Bank of Joplin, Joplin,
Missouri. 2/

Approved

Pioneer Bancorporation, Inc., St. Louis, Missouri, for
approval to acquire 84 per cent or more of the voting
shares of Pioneer Bank and Trust Company, Maplewood,
Missouri. 2/

Swanville Bancshares, Inc., Swanville, Minnesota, for
approval to acquire 91.82 per cent of the voting
shares of First State Bank of Swanville, Swanville,
Minnesota. 1/ & 2/

Fairland Bancshares, Inc., Fairland, Oklahoma, for
approval to acquire 86 per cent or more of the voting
shares of The First National Bank of Fairland, Fairland,
Oklahoma. 1/ & 2/

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

Approved

National City Corporation, Cleveland, Ohio, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of the successor by merger to The Huron County Banking Company, National Association, Norwalk, Ohio. 2/

American Pioneer Life Insurance Company, Trumann, Arkansas, for approval to retain an additional 55.04 per cent of the voting shares of First National Bank of Poinsett County, Trumann, Arkansas. 2/

First Bancorp, Inc., Corsicana, Texas, for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of Forney Bank and Trust Company, Forney, Texas. 1/ & 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

Gary-Wheaton Corporation, Wheaton, Illinois, for approval to engage de novo in the activity of underwriting, as reinsurer, credit life and credit accident and health insurance that is directly related to extensions of credit by Applicant's subsidiary bank, through G-W Life Insurance Company, Phoenix, Arizona. 1/

Pioneer Bancorporation, Inc., St. Louis, Missouri, for approval to engage de novo in acting as insurance agent with respect to credit life and credit health, accident and property insurance directly related to extensions of credit by Pioneer Bank and Trust Company, Maplewood, Missouri.

United Oklahoma Bankshares, Inc., Oklahoma City, Oklahoma, for approval to acquire United Securities, Inc., Oklahoma City, Oklahoma, a company that will engage de novo in the activities of underwriting and dealing in certain government and municipal securities and in providing portfolio investment advice to individuals, associations, corporations, and financial institutions and to commercial banks.

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

Delayed

European American Bancorp, New York, New York, notification of intent to engage in de novo activities (interbank Eurocurrency and Eurodollar placements and deposits; commercial Eurocurrency and Eurodollar loans and foreign exchange transactions) at 33 Boulevard Prince Henri, Luxembourg, Grand Duchy of Luxembourg, through its subsidiary, European American Banking Corporation (3/21/79) 3/

Reactivated

First Chicago Corporation, Chicago, Illinois, 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 secured by real estate mortgages and servicing such loans and other extensions of credit) at 11 Milam Building, Houston, Texas, through its subsidiary, First Chicago Realty Services Corporation (3/23/79) 3/

First Chicago Corporation, Chicago, Illinois, 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 secured by real estate mortgages and servicing such loans and other extensions of credit) at 1101 17th Street, N.W., Washington, D.C., through its subsidiary, First Chicago Realty Services Corporation (3/23/79) 3/

Patagonia Corporation, Tucson, Arizona, notification of intent to engage in de novo activities (originating residential mortgages for sale to permanent investors) at 3200 South Rural Road, Tempe, Arizona, through its subsidiary, Western American Mortgage Company (3/18/79) 3/

Permitted

Chemical New York Corporation, New York, New York, notification of intent to relocate de novo activities (making direct loans and purchasing installment sales finance contracts such as would be made or acquired by consumer finance companies, including making loans secured by real and personal property; and acting as agent or broker for the sale of life, accident and disability, and property and casualty insurance directly related to Sunamerica's extensions of credit) from 4010 Oleander Drive, Wilmington, North Carolina to 5041 New Centre Drive, Wilmington, North Carolina, through its subsidiary, Sunamerica Financial Corporation (3/19/79) 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

Chemical New York Corporation, New York, New York, notification of intent to engage in de novo activities (the sale of credit life and disability insurance directly related to mortgage lending by Chemical New York Corporation's subsidiary bank, Chemical Bank) at 5 Niagara Square, Buffalo, New York, through its subsidiary, Sunamerica Corporation (3/24/79) 3/

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to engage in de novo activities (the making of personal installment loans secured by mortgages on the borrowers' real estate and generally engaging in the business of a consumer finance company in the States of Pennsylvania, New Jersey and Delaware) at 7320 Old York Road, Melrose Park, Pennsylvania, through its indirect subsidiary, Colonial Mortgage Consumer Discount Company (3/22/79) 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 (3/21/79) 3/

The Citizens and Southern Corporation, Charleston, South Carolina, notification of intent to engage in de novo activities (servicing loans and other extensions of credit and making or acquiring for its own account loans and other extensions of credit such as would be made by a mortgage or finance company; and acting as agent in the sale of credit life insurance in connection with extensions of credit) at 1515 Mockingbird Lane, Suite 104, Park Seneca Building, Charlotte, North Carolina, through a subsidiary, Carolina National Mortgage Investment Company, Inc. (3/19/79) 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 (3/22/79) 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

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 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 (3/23/79) 3/

BankAmerica Corporation, San Francisco, California, notification of intent to engage in de novo activities (leasing of real property and personal property within the limitations now or hereafter set forth in Section 225.4(a)(6)(a) and (b) of Regulation Y) at 555 California Street, San Francisco, California, through its subsidiaries, Western America Financial, Inc. and BA Facilities Leasing, Inc. (3/19/79) 3/

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, 5100 N. Oracle Road, Tucson, Arizona, and 3200 South Rural Road, Tempe, Arizona, through its subsidiary, Western American Mortgage Company (3/18/79) 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

Permitted

American Financial Corporation, Cincinnati, Ohio, notification of intent to acquire approximately a 36 per cent interest in North American Mortgage Investors (NAM), a real estate investment trust (3/19/79) 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 State Bank & Trust Company, Defiance, Ohio.
Branch to be established at Caroline and Main
Streets, Paulding, Paulding County. 2/

The Provident Bank, Cincinnati, Ohio. Branch to
be established at 5000 Block Crookshank Road,
Cincinnati, Hamilton County. 2/

Barclays Bank of New York, New York, New York.
Branch to be established at 180 Iser Avenue,
Hauppauge. 2/

Commerce Bank of St. Charles, St. Charles, Missouri.
Branch to be established at Highway 94 and Heritage
Landing, St. Charles, St. Charles County. 2/

Security Bank and Trust Company, Southgate, Michigan.
Branch to be established in the vicinity of Allen
and Sibley Roads, Brown Township, Wayne County. 2/

Manufacturers Bank of Livonia, Michigan. Branch to
be established at the northwest corner of Commerce
and Burns Roads, Milford Township, Oakland County. 2/

American Trust and Savings Bank, Dubuque, Iowa. Branch
to be established in the Theisen Farm, and Home Supply
Retail Store at 2900 Dodge Street, Dubuque. 2/

Security Bank and Trust Company, Southgate, Michigan.
Branch to be established at the southwest corner of
Fort and Edison Streets, Southgate Township, Wayne
County. 2/

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

The Gilpin County Bank, Black Hawk, Colorado. 2/

2/ Application subject to Community Reinvestment Act.

APPLICATIONS RECEIVED-ContinuedTo 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
Buenos Aires, Argentina.

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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

Banque de Paris et des Pays-Bas, Paris, France: requests
consent to establish a Edge Act corporation to be
named Banque de Paris et des Pays-Bas International
(Houston) Co., Houston, Texas.

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

East Dubuque Investment Corporation, East Dubuque,
Illinois, for approval to acquire 80 per cent
or more of the voting shares of East Dubuque
Savings Bank, East Dubuque, Illinois. 2/

Citizens Bancshares Corporation, Jonesboro, Arkansas,
for approval to acquire 83 per cent of the voting
shares of Citizens Bank of Jonesboro, Jonesboro,
Arkansas. 2/

Tuscumbia Bancshares, Inc., Kansas City, Missouri,
for approval to acquire 99.17 per cent of the
voting shares of Bank of Tuscumbia, Tuscumbia,
Missouri. 2/

First Bancshares of Smith Center, Inc., Smith Center,
Kansas, for approval to acquire 80 per cent or
more of the voting shares of The First National
Bank of Smith Center, Smith Center, Kansas. 2/

First Seminole Bancshares, Inc., Seminole, Texas,
for approval to acquire 80-100 per cent of the
voting shares of Seminole State Bank, Seminole,
Texas. 2/

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 Community Bancorporation, Joplin, Missouri,
for approval to acquire 80 per cent or more of
the voting shares of Bank of Table Rock Lake,
Reeds Spring, Missouri. 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

SJV Corporation, Elkhart, Indiana, 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 secured and unsecured consumer loans, such
as would be made by a mortgage or finance company;
and selling, as an insurance agent, credit life
and credit accident and health insurance which is
directly related to and in connection with said loans
and other extensions of credit) at 2445 State Street,
Lafayette, Indiana, through its subsidiary, St.
Joseph Valley Finance Corp. (3/22/79) 3/

Colorado National Bankshares, Inc., Denver, Colorado,
notification of intent to engage in de novo activities
(making, acquiring, arranging and servicing, for its
own account or for the account of others, loans and
other extensions of credit such as would be made, for
example, by a finance company or a factoring company)
the activities will be conducted within the boundaries
of Colorado, Wyoming, Utah, New Mexico, Nebraska,
Montana, and Kansas by personnel based in the company's
office in Denver, Colorado, through a subsidiary,
Colorado National Leasing, Inc. (3/22/79) 3/

BankAmerica Corporation, San Francisco, California,
notification of intent to engage in de novo activities
throughout the State of California (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 for
its own account and for the account of others; such
activities will include, but not be limited to, making
consumer installment loans by mail and making loans

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

secured by personal property; and the offering of credit related life and credit related accident and disability insurance in connection with extensions of credit made or acquired by FinanceAmerica VIP Service Corporation) at 2100 North Main Street. Santa Ana, California, through its indirect subsidiary, FinanceAmerica VIP Service Corporation (3/15/79) 3/

Security Pacific Corporation, Los Angeles, California, notification of intent to engage in de novo activities (acting as escrow agent for the purchase and sale of real property and the execution of all documents and dispersal of funds relating to loan transactions and all other activities engaged in by an escrow company) at 920 N. Washington, Spokane, Washington, through its subsidiary, Security Pacific Escrow, Inc. (3/14/79) 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 payout leases of personal property to the extent permitted by Section 225.4(a) (6) (a) of Regulation Y of the Federal Reserve Board) at 1605 West Olympic Boulevard, Los Angeles, California, through its subsidiary, Wells Fargo Business Credit (3/16/79) 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

American Financial Corporation, Cincinnati, Ohio, notification of intent to acquire approximately a 36 per cent interest in North American Mortgage Investors (NAM), a real estate investment trust (3/16/79) 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

REPORTS RECEIVED

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

The Trust Company of New Jersey, Jersey City, New
Jersey (Amendment #1)

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

First Commercial Bank, Arlington, Virginia.
(Filed by Charles Edward Taylor dated 3/15/79)

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PETITIONS FOR RULEMAKING

None.