

ANNOUNCEMENT BY
BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
(H.2, 1979 No. 17)

Actions of the Board; Applications and Reports

Received During the Week Ending April 28, 1979

ACTIONS OF THE BOARD

Statement by Governor Henry C. Wallich before the Subcommittee on Oversight of the House Ways and Means Committee.

Request for comment by June 1, 1979, on possible changes in Federal Reserve handling in its check collection system of checklike payments instruments drawn on savings accounts at mutual savings banks and savings and loan associations. (Docket No. R-0220)

Letter to Congressman Doug Barnard informing him that the Board finds acceptable amendment to the draw authority legislation as contained in H.R. 3404, which would place a \$15 billion limitation on the aggregate size of the combined cash and securities borrowing authorities.

Letter sent to the New York State Bankers Association regarding its request to amend Regulation Q to establish a new category of deposit not subject to the currently mandated interest rate differentials for special education accounts recently authorized by New York State legislature.

Temporary suspension of the Regulation Q penalty normally imposed upon the early withdrawal of time deposit funds for depositors affected by recent storms in a five-county area of Iowa.

Delegation of authority to the Secretary of the Board to permit member banks to waive the penalty for early withdrawal of a time deposit for depositors suffering emergency-related losses in areas declared an emergency area by the President. (Docket No. R-0000)

NCNB Corporation, Charlotte, North Carolina, requesting an extension of time to divest shares of Carolina-Blythe Utility Company acquired in connection with debts previously contracted. 1/

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

ACTIONS OF THE BOARD-Continued

NCNB Corporation, Charlotte, North Carolina, requesting an extension of time within which to divest shares of Hartwell Properties Inc. 1/

Republic of Texas Corporation, Dallas, Texas, extension of time to May 7, 1979, within which to consummate the acquisition of the First National Bank of Plano, Plano, Texas. 1/

Texas American Bancshares, Inc., Fort Worth, Texas, extension of time to June 12, 1979, within which to consummate the acquisition of the Citizens National Bank of Denison, Denison, Texas. 1/

United California Bank, Los Angeles, California, extension of time to November 5, 1979, within which to establish a manned satellite depository and check cashing facility at Vallco Fashion Park, Stevens Creek Boulevard and Wolfe Road, Cupertino, California. 1/

Liberty State Bank & Trust, Hamtramck, Michigan, requesting permission to make an investment in bank premises. 1/

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

United California Bank, Los Angeles, California, extension of time to November 23, 1979, within which to establish a branch in the vicinity of Sunrose Boulevard and Woodmore Oaks Drive, Citrus Heights, California, and an extension of time to November 10, 1979, within which to establish a branch in the vicinity of Lindbrook Drive and Gayley Avenue, Westwood Village, Los Angeles, California. 1/

Manufacturers Hanover Trust Company, New York, New York, requesting permission to make an additional investment in bank premises for a branch office located in Madrid, Spain. 1/

Farmers and Miners Bank of Lee County, Pennington Cap, Virginia, extension of time within which to accomplish membership in the Federal Reserve System. 1/

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

ACTIONS OF THE BOARD-Continued

Issuance of subordinated capital notes by Security State Bank of Cannon Falls, Cannon Falls, Minnesota. 1/

Fidelity American Bank, N.A., Richmond, Virginia, proposed merger with Cavalier Central Bank & Trust Company, Hopewell, Virginia, and The Central National Bank of Richmond, Richmond, Virginia, report to the Comptroller of the Currency on competitive factors. 1/

First American Bank of Homestead, Homestead, Florida, proposed merger with First American Bank of Dade County, North Miami, Florida, report to the Federal Deposit Insurance Corporation on competitive factors. 1/

First National Bank of Danville, Danville, Virginia, proposed merger with First & Merchants National Bank, Richmond, Virginia, report to the Comptroller of the Currency on competitive factors. 1/

Guardian Federal Savings and Loan Association, Northport, New York, proposed merger with The New York Bank for Savings, New York, New York, report to the Federal Deposit Insurance Corporation on competitive factors. 1/

Manufacturers Bank, Los Angeles, California, Sherman Oaks Branch, proposed acquisition by American Pacific State Bank, Sun Valley, California, report to the Federal Deposit Insurance Corporation on competitive factors. 1/

Westport National Bank, Westport, Connecticut, proposed merger with Citytrust, Bridgeport, Connecticut, 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

The Chardon Savings Bank Company, Chardon, Ohio.
Branch to be established at 15561 Kinsman Road,
Middlefield, Geauga County. 1/ & 2/

Mountain Empire Bank, Johnson City, Tennessee. Branch
to be established at the corner of Bonita Drive and
U.S. Highway 23, Johnson City. 1/ & 2/

The Bank of South Florida, South Miami, Florida.
Branch to be established at the Sunrise Club, 9100
North Kendall Drive, Miami. 1/ & 2/

Liberty State Bank & Trust, Hamtramck, Michigan.
Branch to be established in the vicinity of the
intersection of Gratiot Avenue and 23 Mile Road,
Chesterfield Township, Macomb County. 1/ & 2/

United California Bank, Los Angeles, California.
Branch to be established in the vicinity of Maclay and
First Streets, San Fernando, Los Angeles, County. 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

Manufacturers Hanover International Finance Corporation:
grants consent to purchase and hold, directly or in-
directly, an additional 312,500 shares of Manufacturers
Hanover Limited, London, England.

Irving Interamerican Bank, Miami, Florida: grants per-
mission to amend Article First of its Articles of
Association to change its name to Irving Trust Company
International/Miami.

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

2/ Application subject to Community Reinvestment Act. The Community
Reinvestment Officer of the applicable Reserve Bank may be contacted
as to the length of the comment period.

ACTIONS OF THE BOARD-Continued

Continental International Finance Corporation, Chicago, Illinois: grants consent to purchase and hold, directly or indirectly, additional shares of Continental Illinois Thailand, Bangkok, Thailand.

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

Approved

FIRST STATE BANCORP OF HARVEY, Harvey, Illinois, for approval to acquire 80 per cent or more of the voting shares of First State Bank of Harvey, Harvey, Illinois. 1/ & 2/

Minneapolis Holding Company, Minneapolis, Minnesota, for approval to acquire 97 per cent of the voting shares of Bank of Minneapolis and Trust Company, Minneapolis, Minnesota. 2/

DSP Investments, Limited, La Cygne, Kansas, for approval to acquire 80 per cent or more of the voting shares of Linn County Bank, La Cygne, Kansas. 1/ & 2/

First Bankshares of Wyoming, Cheyenne, Wyoming, for approval to acquire 80 per cent or more of the voting shares of The First National Bank and Trust Company of Wyoming, Cheyenne, Wyoming, First National Bank in Wheatland, Wheatland, Wyoming and Wyoming State Bank, Cheyenne, Wyoming. 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

Toledo Trustcorp, Inc., Toledo, Ohio (formerly known as Northwest Ohio Bancshares, Inc.), for approval to acquire 100 per cent of the voting shares (less directors' qualifying shares) of The Peoples National Bank of Delphos, Delphos, Ohio. 1/ & 2/

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

2/ Application subject to Community Reinvestment Act. The Community Reinvestment Officer of the applicable Reserve Bank may be contacted as to the length of the comment period.

ACTIONS OF THE BOARD-Continued

Alabama Bancorporation, Birmingham, Alabama, for approval to acquire 100 per cent (less directors' qualifying shares) of the voting shares of the successor by merger to Citizens National Bank of Limestone County, Athens, Alabama. 1/ & 2/

First Dover Investment Company, Inc., Elgin, Minnesota, for approval to acquire an additional 35.2 per cent of the voting shares of First State Bank of Dover, Dover, Minnesota. 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

Mercantile Bankshares Corporation, Baltimore, Maryland, for approval to engage de novo to underwrite, as reinsurer, credit life and accident and health insurance directly related to extensions of credit by its subsidiaries in Maryland, through its subsidiary, Mercantile Insurance Company of Maryland, Phoenix, Arizona. 1/

Returned

First Arkansas Bankstock Corporation, Little Rock, Arkansas, notification of intent to engage in de novo activities (acting as insurance agent or broker for the holding company's banking subsidiaries, including property, surety and fidelity coverage; insurance that is directly related to extensions of credit by the holding company's banking subsidiaries or by its bank-related subsidiaries which is permissible under regulations of the Federal Reserve System, including property and casualty insurance; and insurance which is directly related to the provision of other financial services by the holding company's banking or permissible banking-related firms) at 504 Chestnut Street, Pine Bluff, Arkansas, through a subsidiary, National Credit Corporation (4/25/79) 3/

- 1/ Application processed on behalf of the Board of Governors under delegated authority.
- 2/ Application subject to Community Reinvestment Act. The Community Reinvestment Officer of the applicable Reserve Bank may be contacted as to the length of the comment period.
- 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-ContinuedReactivated

The Girard Company, Bala Cynwyd, Pennsylvania, notification of intent to continue to engage in de novo activities (leasing of personal property and equipment on a full pay out basis and acting as agent, broker or adviser in the leasing of such properties; acting as agent, broker or adviser in the formation of (limited) partnership arrangements to engage in full pay out leasing transactions and participating in such partnership transactions and acting as agent, broker or adviser in and acquiring interests in conditional sales financing transactions) through the Girard Leasing Corporation, Three Girard Plaza, Philadelphia, Pennsylvania and Omlease Corporation, 11772 Sorrento Valley Road, San Diego, California, for existing and prospective new clients throughout the United States in a new office of both companies at 680 West Dekalb Pike, King of Prussia, Pennsylvania (4/23/79) 3/

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to engage in de novo activities (servicing residential mortgage loans) at 11400 Rockville Pike, Suite 200, Rockville, Maryland, through its subsidiary, Colonial Mortgage Service Company Associates, Inc. (4/23/79) 3/

Philadelphia National Corporation, Philadelphia, Pennsylvania, notification of intent to (a) to engage in de novo activities (originating FHA, VA and Conventional residential mortgage loans) at Route 5 South, Hughesville, Maryland, 11400 Rockville Pike, Suite 200, Rockville, Maryland, and 9111 Edmonston Pike, Suite 200, Greenbelt, Maryland, through its subsidiary, Colonial Mortgage Service Company Associates, Inc. and (b) to relocate de novo activities (mortgage loan origination activities) from 600 Reistertown Road, Pikesville, Maryland to 1224 and 1230 Race Road, Baltimore, Maryland, through a subsidiary, Colonial Mortgage Service Company Associates, Inc. (4/23/79) 3/

Permitted

Citizens Bancorporation, Sheboygan, Wisconsin, notification of intent to engage in de novo activities (performing or carrying on any activities of a trust company, (fiduciary, agency or custodian activities) in the manner authorized by the laws of the State of

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

Wisconsin, except that Citizens Trust Company will not accept deposits or make loans and investments (other than deposits that are generated from trust funds not currently invested or other funds received for special use as custodian or agent); Citizens Trust Company plans to assume all of the current duties of the Citizens Bank of Sheboygan Trust Department; in addition, it will provide trust services to customers of all holding company affiliates and other non-affiliated banks under a provision of the Wisconsin Banking Law which allows a host bank to contact with a provider of trust services to render such services on the host's premises) at 636 Wisconsin Avenue, Sheboygan; 1504 Calumet Drive, Sheboygan; 1251 Wilson Avenue, Sheboygan; 908 South Fisk Street, Green Bay; 4015 North Oakland Avenue, Shorewood; 26 East Main, Chilton; 233 Dodge Street, Kaukauna; 905 Center Avenue, Oostburg; and 211 North Wisconsin Drive, Howards Grove, all in Wisconsin, through a subsidiary, Citizens Trust Company (4/23/79) 3/

Allied Bancshares, Inc., Houston, Texas, notification of intent to engage in de novo activities (to acquire all of the outstanding capital stock of J.C. Penny Insurance Agency, Inc. and through it to engage de novo in the activities of acting as broker for certain insurance requirements of Allied's present and future banking subsidiaries) through a subsidiary, Allied General Agency, Inc., Houston, Texas (4/23/79) 3/

Texas Commerce Bancshares, Inc., Houston, Texas, notification of intent to engage in de novo activities (leasing real property on a nonoperating basis in a manner functionally equivalent to extending credit and in conformity to the requirements of 12 CFR 225.4 (a) (6) (b)) at 712 Main Street, Houston, Texas, through its subsidiary, Texas Commerce Leasing Company, Houston, Texas (4/27/79) 3/

BankAmerica Corporation, San Francisco, California, notification of intent to engage in de novo activities (making loans and other extensions of credit and acquiring loans, participations in loans and other extensions of credit such as would be made or acquired by a finance company; such activities would include, but not be limited to, inventory and accounts receivable

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

financing, lease financing, equipment financing, insurance premium financing, making loans to non-affiliated financing and lease companies secured by pledges of accounts receivable of such companies, making other loans secured by real or personal property and purchasing retail installment sales finance contracts; in addition, FinanceAmerica Capital Corporation proposes to continue to engage in the additional activities of servicing loans, participations of loans and other extensions of credit for itself and others in connection with extensions of credit made or acquired by FinanceAmerica Capital Corporation; (the geographic areas for such activities are to be expanded from the present authority to do business in thirty-six States and the District of Columbia to doing business in the additional fourteen States of Alaska, Arkansas, California, Hawaii, Idaho, Montana, New Mexico, North Dakota, Oregon, South Dakota, Tennessee, Utah, Washington, and Wyoming) at 1105 Hamilton Street, Allentown, Pennsylvania, and (FinanceAmerica Capital Corporation proposes to engage in all of the aforementioned activities) at 1550 Northwest Highway, Park Ridge, Illinois and 1545 West Mockingbird Lane, Dallas, Texas, through its indirect subsidiary, FinanceAmerica Capital Corporation (4/23/79) 3/

Security Pacific Corporation, Los Angeles, California, notification of intent to engage in de novo activities (making or acquiring, for its own account or for the account of others, loans and extensions of credit including making consumer installment personal loans, purchasing consumer installment sales finance contracts, making loans to small businesses and other extensions of credit such as would be made by a factoring company or a consumer finance company; and acting as broker or agent for the sale of credit related life, accident and health insurance and credit related property and casualty insurance) at 80 South Lake Avenue, Pasadena, California, through its subsidiary, The Bankers Investment Company (4/22/79) 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

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

all other activities engaged in by an escrow company) at 920 N. Washington, Spokane, Washington, through its subsidiary, Security Pacific Escrow, Inc. (4/28/79) 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 the disbursal of funds relating to loan transactions and all other activities engaged in by an escrow company) at 6505 218th Street S.W., Mountlake Terrace, Washington and 833 108th Avenue, N.E., Bellevue, Washington, through its indirect subsidiary, Security Pacific Escrow, Inc. (4/26/79) 3/

Seilon, Inc., Toledo, Ohio, and Nevada National Bancorporation, Reno, Nevada, notification of intent to engage in de novo activities (the financing of personal property and equipment and the leasing of such property or the acting as agent, broker or adviser in the leasing and/or financing of 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, and the servicing of such financings and/or loans as is authorized by the Federal Reserve Board under Regulation Y and the Bank Holding Company Act; making or acquiring, for its own account or for the account of others, loans and other extensions of credit in the normal course of its leasing business, including the making of business installment loans, the purchase of business installment sales finance contracts and making loans to businesses of various sizes) at 1555 River Park Drive, Sacramento, California, through their subsidiary, Nevada National Leasing Company, Inc. (4/23/79) 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

Certifications Issued Pursuant to the Bank Holding
Company Tax Act of 1976

Frank J. Eicher Company, Inc., Coralville, Iowa, prior certification pursuant to section 1101(a) of the Internal Revenue Code, that its proposed divestiture of 1,010 voting shares of Eicher's, Inc., Iowa City, Iowa and 19,750 voting shares of Seville Corporation Iowa City, Iowa, is necessary or appropriate to effectuate the policies of the Bank Holding Company Act (12 U.S.C. § 1841 et seq.) Legal Division Docket No. TCR 76-169 1/

1/ Application processed 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

Chemical Bank, New York, New York. Branch to be established within the compound of Fashion Institute of Technology, Building "C", 227 West 27th Street, Borough of Manhattan. 2/

Rapides Bank & Trust Company, Alexandria, Louisiana. Branch to be established on the corner of Lee Street and Maclee Drive, Alexandria, Louisiana. 2/

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

- a. in the vicinity of Mowry Avenue and Cedar Boulevard, Newark, Alameda County. 2/
- b. in the vicinity of the intersection of Beach Boulevard and Garfield Avenue, Huntington Beach, Orange County. 2/
- c. in the vicinity of Aliso Creek and La Paz Road, Laguna Niguel, Orange County. 2/
- d. in the vicinity of California Avenue and La Mirada Drive, Bakersfield, Kern County. 2/

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

Jefferson Bank of the Valley, Fishersville, Virginia. 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

Akron Financial, Inc., Akron, Indiana, for approval to acquire 80 per cent or more of the voting shares of Akron Exchange State Bank, Akron, Indiana. 2/

2/ Application subject to Community Reinvestment Act. The Community Reinvestment Officer of the applicable Reserve Bank may be contacted as to the length of the comment period.

APPLICATIONS RECEIVED-Continued

Drexel Bancorporation, Inc., Chicago, Illinois, for approval to acquire 30 per cent or more of the voting shares of Drexel National Bank, Chicago, Illinois. 2/

Minonk Bancshares, Inc., Minonk, Illinois, for approval to acquire 80 per cent of the voting shares of Minonk State Bank, Minonk, Illinois. 2/

Peoples Holding Corp., Winfield, Iowa, for approval to acquire 80 per cent or more of the voting shares of Peoples State Bank, Winfield, Iowa. 2/

Morris State Bancorporation, Inc., Morris, Minnesota, for approval to acquire 80.27 per cent of the voting shares of Morris State Bank, Morris, Minnesota. 2/

Center Bancshares, Inc., Center, Texas, for approval to acquire 80-100 per cent of the voting shares (less directors' qualifying shares) of First National Bank in Center, Center, Texas. 2/

GSB Bancshares, Inc., Gruver, Texas, for approval to acquire 80-100 per cent of the voting shares of Gruver State Bank, Gruver, Texas. 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

NB Corporation, Charlottesville, Virginia, for approval to acquire 100 per cent of the voting shares of the successor by merger to Jefferson Bank of the Valley, Fishersville, Virginia, a proposed new bank. 2/

Citizens Bancorporation, Sheboygan, Wisconsin, for approval to acquire 80 per cent or more of the voting shares of Two Rivers Savings Bank, Two Rivers, Wisconsin. 2/

Hawkeye Bancorporation, Des Moines, Iowa, for approval to acquire 100 per cent of the voting shares of Lake City State Bank, Lake City, Iowa. 2/

First Security Corporation, Salt Lake City, Utah, for approval to acquire 99.67 per cent of the voting shares of First Security State Bank of American Fork, American Fork, Utah, a proposed new bank. 2/

2/ Application subject to Community Reinvestment Act. The Community Reinvestment Officer of the applicable Reserve Bank may be contacted as to the length of the comment period.

APPLICATIONS RECEIVED-ContinuedTo Expand a Bank Holding Company Pursuant to Section 4(c) (8) of the Bank Holding Company Act of 1956

Union Trust Bancorp, Baltimore, Maryland, notification of intent to relocate 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; acting as agent in the sale of insurance protecting collateral held against the extensions of credit; and making second mortgage loans secured in whole or in part by mortgage or other lien on real estate) from 1006 Watson Boulevard, Warner Robins, Georgia to 1813 Watson Boulevard, Warner Robins, Georgia, through its subsidiary, Landmark Financial Services, Inc. (4/26/79) 3/

United Virginia Bankshares Incorporated, Richmond, Virginia, notification of intent to engage in de novo activities (originating loans as principal; originating loans as agent; servicing loans for non-affiliated individuals, partnerships and corporations; servicing loans for affiliates of United Virginia Bankshares Incorporated; the sale, as agent, of credit life, credit disability, mortgage redemption and mortgage cancellation insurance in connection with such loans; and such other activities as may be incidental to the business of a mortgage corporation) at One Regency Place, 9570 Regency Square Boulevard, Jacksonville and 5415 Mariner Street, Tampa, Florida, through its subsidiary, United Virginia Mortgage Corporation d/b/a United Virginia Financial Services (4/26/79) 3/

Merchants National Corporation, Indianapolis, Indiana, notification of intent to engage in de novo activities (to engage in mortgage banking activities) at offices located in Merchants Plaza, Indianapolis, Indiana, through its subsidiary, Merchants Mortgage Corporation (4/25/79) 3/

Minonk Bancshares, Inc., Minonk, Illinois, for approval to acquire the assets of Minonk State Insurance, Minonk, Illinois.

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

Mercantile Bancorporation Inc., St. Louis, Missouri, notification of intent to engage in de novo activities (will operate as agent or adviser in leasing such property where the leases will be the functional equivalent of extensions of credit to the lessees of the property on a non-operating basis, and will comply with the other provisions of section 225.4(a)(6) of Regulation Y) at 11511 Southwest Pacific Highway, Portland, Oregon, through its wholly-owned subsidiary, Franklin Finance Company to be known as Franklin Equity Leasing Company (4/26/79) 3/

Patagonia Corporation, Tucson, Arizona, notification of intent to relocate de novo activities (making or acquiring, for its own account or for the account of others, loans and other extensions of credit (including issuing letters of credit and accepting drafts) such as would be made, for example, by a mortgage, finance, credit card, or factoring company; and leasing personal property or acting as agent, broker or adviser in leasing such property provided: (a) the lease is to serve as the functional equivalent of an extension of credit to the lessee of the property; (b) the property to be leased is acquired specifically for the leasing transaction under consideration or was acquired specifically for an earlier leasing transaction; (c) the lease is on a nonoperating basis; (d) 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, from rentals; estimated tax benefits (investment tax credit, net economic gain from tax deferral from accelerated depreciation, and other tax benefits with a substantially similar effect); the estimated residual value of the property at the expiration of the initial term of the lease which in no case shall exceed 20 per cent of the acquisition cost of the property to the lessor; and in the case of a lease of not more than 7 years in duration, such additional amount, which shall not exceed 60 per cent of the acquisition cost of the property, as may be provided by an unconditional guarantee by a lessee, independent third party or

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

manufacturer, which has been determined by the lessor to have the financial resources to meet such obligations that will assure the lessor of recovery of its investment and cost of financing; (e) the maximum lease term during which the lessor must recover the lessor's full investment in the property plus the estimated total cost of financing the property shall be 40 years, and (f) at the expiration of the lease (including any renewals or extensions with the same lessee), all interest in the property shall be liquidated or re-leased on a nonoperating basis as soon as practicable but in no event later than two years from the expiration of the lease, however, in no case shall the lessor retain any interest in the property beyond 50 years after its acquisition of the property) from 3443 North Central Avenue, Phoenix, Arizona to MacArthur Boulevard and Campus Road, Newport Beach, California, through its subsidiary, Patagonia Leasing Company (4/23/79) 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 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 3340 Peachtree Road, Atlanta, Georgia, through its subsidiary, Wells Fargo Business Credit (4/20/79) 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

Berkshire Hathaway Inc., New Bedford, Massachusetts, and non-banking subsidiaries, notification of intent to acquire more than 5 per cent of the outstanding voting stock of National Student Marketing Corp., Chicago, Illinois (4/24/79) 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

None.

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PETITIONS FOR RULEMAKING

None.