

**ANNOUNCEMENT BY**

**BOARD OF GOVERNORS OF THE  
FEDERAL RESERVE SYSTEM**

**H.2, 1987, No. 4**

**Actions of the Board**

**Applications and Reports Received  
During the Week Ending January 24, 1987**

**ACTIONS OF THE BOARD**

Statement by Chairman Volcker before the Senate Committee on Banking, Housing, and Urban Affairs to provide comments on legislative tools needed by bank regulators to deal with pressing problems, January 21, 1987.

Statement by Governor Angell before the House Committee on Banking, Finance and Urban Affairs concerning H.R. 28, the "Expedited Funds Availability Act," which deals with check holding practices of some depository institutions, January 27, 1987.

FedWire -- request for public comment by April 13, 1987, on the concept of pricing FedWire daylight overdrafts (Docket R-0592).

Director,  
BS&R

Over-the-counter stocks -- revised list of OTC stocks subject to margin requirements, effective February 10, 1987. 1/

Boston

Independent BankGroup, Inc., Springfield, Vermont -- extension to April 18, 1987, to commence mortgage banking activities through Independent MortgageGroup, Inc. 1/

Richmond

Bank Maryland Corp., Towson, Maryland -- extension to February 22, 1987, to acquire Bank of Maryland. 1/

Richmond

PNB Financial Corporation, Warrenton, Virginia -- extension to May 25, 1987, to acquire The Peoples National Bank of Warrenton. 1/

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

**ACTIONS OF THE BOARD - Continued**

- Chicago First National Bank, Glendale, Wisconsin -- proposed merger with First Wisconsin National Bank of Milwaukee, Milwaukee, Wisconsin -- report to the Comptroller of the Currency on competitive factors. 1/
- Chicago The First State Bank, Bourbon, Bourbon, Indiana -- extension to January 31, 1987, to establish a branch at 436 East Center Street. 1/
- Kansas City Clearwater Home State Bancshares, Inc., Clearwater, Kansas -- extension to April 16, 1987, to engage *de novo* through Home Finance Corp., Wichita, Kansas, in mortgage and consumer loans, and selling U.S. savings bonds and travelers checks. 1/
- Dallas Gateway Bancshares, Inc., Dallas, Texas -- extension to April 21, 1987, to acquire Gateway National Bank. 1/
- San Francisco First Security Corporation, Salt Lake City, Utah -- extension to divest certain properties. 1/
- San Francisco Union Bancorp, Los Angeles, California, and United Bancorp of Arizona, Phoenix, Arizona -- extension to divest certain properties. 1/

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

- New York Chemical Bank, New York, New York -- to establish a branch office at American Express Tower, World, Financial Center, 200 Vesey Street, New York, New York. 1/ (1/20/87)
- Cleveland The Dollar Savings and Trust Company, Youngstown, Ohio -- to establish a *de novo* branch office at 815 Youngstown-Warren Road (Nile Park Plaza), Niles, Ohio. 1/ (1/21/87)

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

**ACTIONS OF THE BOARD - Continued**

- Richmond      Fairfax Bank and Trust Company, Fairfax,  
Virginia -- to establish a branch at 14006  
Lee Jackson Highway, Chantilly, Virginia. 1/  
(1/21/87)
- Chicago        The First State Bank of Decatur, Decatur,  
Indiana -- to establish an offsite electronic  
facility at 927 South 13th Street, Decatur,  
Indiana. 1/ (1/20/87)
- Chicago        Peoples Bank and Trust Company, Cedar Rapids,  
Iowa -- to establish an offsite Automated  
Teller Machine at 308 - 29th Street, NE,  
Cedar Rapids, Iowa. 1/ (1/23/87)

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

**Approved**

- Cleveland      The Home Banking Company, Gibsonburg, Ohio.  
1/ (1/23/87)

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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**

- Philadelphia    Cardinal Bancorp, Inc., Everett,  
Pennsylvania -- for approval to acquire 100  
percent of the voting shares of The First  
National Bank of Everett, Everett,  
Pennsylvania. 1/ (1/22/87)
- Philadelphia    Luzerne National Bank Corporation, Luzerne,  
Pennsylvania -- for approval to acquire 100  
percent of the voting shares of The Luzerne  
National Bank, Luzerne, Pennsylvania. 1/  
(1/23/87)
- Cleveland       U.B. Bancshares, Inc., Bucyrus, Ohio -- for  
approval to acquire 80 percent of the voting  
shares of United Bank, N.A. Bucyrus, Ohio.  
1/ (1/20/87)

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

**ACTIONS OF THE BOARD - Continued**

- Chicago ALTA VISTA BANCSHARES, INC., Alta Vista, Iowa -- for approval to acquire 61 percent of the voting shares of Alta Vista State Bank, Alta Vista, Iowa. 1/ (1/23/87)
- St. Louis Vernois Bancshares, Inc., Mt. Vernon, Illinois -- for approval to acquire 100 percent of the voting shares of Vernois Bancorp, Inc., Mt. Vernon, Illinois, indirectly Bank of Illinois in Mt. Vernon Mt. Vernon, Illinois. 1/ (1/23/87)
- Minneapolis Valley National Banc Holding Company, Apple Valley, Minnesota -- for approval to acquire 100 percent of the voting shares of Valley National Bank, Apple Valley, Minnesota. 1/ (1/21/87)

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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**

- Boston Westbank Corporation, West Springfield, Massachusetts -- for approval to acquire 100 percent of the voting shares of Chicopee Co-operative Bank, Chicopee, Massachusetts. (1/20/87)
- New York United Bank Corporation of New York, Downsville, New York -- for approval to acquire 100 percent of the voting shares of The First National Bank of Amenia, Amenia, New York. 1/ (1/21/87)
- Cleveland Pikeville National Corporation, Pikeville, Kentucky -- for approval to acquire 100 percent of the voting shares of First Security Bank and Trust Co., Whitesburg, Kentucky. 1/ (1/21/87)
- Richmond Mountaineer Bankshares of West Virginia, Inc., Martinsburg, West Virginia -- for approval to acquire 100 percent of the voting shares of Bank of Wadestown, Fairview, West Virginia. (1/20/87)

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

**ACTIONS OF THE BOARD - Continued**

St. Louis      Montgomery County Bancshares, Inc., Little Rock, Arkansas -- for approval to acquire 100 percent of the voting shares of First National Bank in Mena, Mena, Arkansas. 1/ (1/22/87)

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

Approved

Kansas City      Turner Bancshares, Inc., Kansas City, Kansas -- for approval to merge with Kaw Valley Bancshares, Inc., Kansas City, Kansas and indirectly Kaw Valley State Bank & Trust, Kansas City, Kansas. 1/ (1/22/87)

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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

Chicago      Alliance Financial Corporation, Dearborn, Michigan -- to engage **de novo** (making, acquiring and/or servicing loans for itself or for others of the type made by a mortgage company) through its subsidiary, Alliance Mortgage Incorporated of Michigan, Dearborn, Michigan. 3/ (1/20/87)

Chicago      National Bancorp, Inc., Melrose Park, Illinois -- to engage **de novo** (providing management consulting services to depository institutions). 3/ (1/20/87)

Approved

New York      Citicorp, New York, New York -- to engage **de novo** through its subsidiary, Citicorp Futures Corporation, New York, New York in the execution and clearance of futures contracts on stock indexes and options thereon, and provide advisory services (1/23/87)

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

3/ Notification processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

## ACTIONS OF THE BOARD - Continued

- New York Saban, S.A., Panama City, Panama and Republic New York Corporation, New York, New York -- for approval to engage *de novo* through their wholly owned subsidiary, Republic Clearing Corporation, New York, New York in the execution and clearance, on major commodity exchanges, of futures contracts on stock indexes, options on such futures contracts, and futures contracts on a municipal bond index and Government National Mortgage Association certificates. (1/20/87)
- Cleveland Banc One Corporation, Columbus, Ohio -- to acquire Tecumseh Insurance Agency, Marion, Indiana and thereby engage in credit insurance underwriting. 1/ (1/22/87)
- Cleveland Banc One Corporation, Columbus, Ohio -- to acquire American Fletcher Mortgage Company, Inc., Indianapolis, Indiana and thereby engage in mortgage lending, equity financing and related real estate financing activities, and also in mortgage servicing for unaffiliated parties. 1/ (1/22/87)
- Cleveland Banc One Corporation, Columbus, Ohio -- to acquire American Fletcher Financial Services, Inc., Marion, Indiana and thereby engage in consumer lending as well as in the sale of credit related insurance in connection with its extension of credit. 1/ (1/22/87)
- Cleveland Banc One Corporation, Columbus, Ohio -- to acquire Guardian Insurance Agency, Marion, Indiana and thereby engage in the sale of certain credit-related insurance in connection with extensions of credit by American Fletcher Financial Services, Inc., the sale of fidelity insurance to AFFS and the sale of credit-related casualty insurance. 1/ (1/22/87)

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

**ACTIONS OF THE BOARD - Continued**

- Cleveland Banc One Corporation, Columbus, Ohio -- to acquire American Fletcher Financial Corporation, Indianapolis, Indiana, an inactive subsidiary of American Fletcher Corporation. 1/ (1/22/87)
- Richmond Sovran Financial Corporation, Norfolk, Virginia -- to engage *de novo* through its subsidiary, Sovran Investment Corporation, Richmond, Virginia, in offering cash management services, including customer account-related functions, for customers of SIC and its affiliate banks. (1/20/87)
- Atlanta Farmers and Merchants Bancorp, Inc., Dover, Tennessee -- to acquire Peoples' Insurance Agency, Inc., Dover, Tennessee and thereby engage in general insurance activities. 1/ (1/20/87)
- Kansas City Eastman National Bankshares, Inc., Newkirk, Oklahoma -- to acquire The Eastman Company, Newkirk, Oklahoma, and thereby engage in making and servicing loans. 1/ (12/24/86)

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**Permitted**

- Richmond Shawsville Bancorp, Inc., Shawsville, Virginia -- to engage *de novo* (consumer financial counseling; tax planning and preparation). The activities will be conducted in Virginia. 3/ (1/21/87)
- Richmond Signet Banking Corporation, Richmond, Virginia -- to engage *de novo* (selling credit life, disability, or involuntary unemployment insurance, underwriting credit life and disability insurance on consumer loans) through its subsidiary, Landmark Financial Services, Inc., Silver Spring, Maryland. The activities would be conducted nationwide. 3/ (1/21/87)

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

3/ Notification processed by Reserve Bank on behalf of the Board of Governors under delegated authority.

## ACTIONS OF THE BOARD - Continued

- Atlanta Southeast Banking Corporation, Miami, Florida -- to engage **de novo** (providing to others financially related data processing and data transmission services, facilities, and data bases; or access to them) through its subsidiary, Southeast Mortgage Company, Miami, Florida. These activities will be conducted throughout the United States. 3/ (1/23/87)
- Kansas City Andover Banc Shares, Inc., Andover, Kansas -- to engage **de novo** (engaging in insurance agency activities in a town of less than 5,000 persons) through a yet to be formed subsidiary, Andover Financial Services, Inc., Andover, Kansas. 3/ (1/20/87)

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## Redemption of Shares

Approved

- Kansas City Sweet Springs Bancshares, Inc., Sweet Springs, Missouri. 1/ (1/23/87)

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**Issued Intent Not to Disapprove Change  
of Control Pursuant to Change in Bank  
Control Act of 1978**

Approved

- Atlanta St. Francisville Bancshares, Inc., St. Francisville, Louisiana. 1/ (1/22/87)
- Kansas City Louisburg Bancshares, Inc., Louisburg, Kansas. 1/ (1/22/87)
- Kansas City Sweet Springs Bancshares, Inc., Sweet Springs, Missouri. 1/ (1/23/87)

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

**APPLICATIONS RECEIVED - Continued**

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

**Received**

Cleveland           The Fifth Third Bank, Columbus, Ohio -- to  
                      establish a CBCT branch at The Meijer Store,  
                      2675 Brice Road, Columbus, Ohio. 2/

Cleveland           The Fifth Third Bank, Columbus, Ohio -- to  
                      establish a CBCT branch at The Meijer Store,  
                      775 Georgesville Road, Columbus, Ohio. 2/

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

**Received**

Dallas               Texas Capital Bank-Richmond, Richmond, Texas  
                      -- to merge with Texas Capital Bank-Katy,  
                      N.A., Katy, Texas. 2/

San Francisco      County Bank and Trust, Santa Cruz, California  
                      -- to merge with Pacific Valley Bank, San  
                      Jose, California. 2/

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

**Received**

Cleveland           The Home Banking Company, Gibsonburg, Ohio.  
                      2/

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

## APPLICATIONS RECEIVED - CONTINUED

**Applications and Notifications for International  
Investments and Other Actions Pursuant to  
Sections 25 and 25(a) of the Federal Reserve  
Act and Sections 4(c)(9), 4(c)(13) and  
4(c)(14) of the Bank Holding Company Act  
of 1956, as amended**

Received

- Atlanta State of Florida Banking Dept., Tallahassee, Florida -- request the Board's views concerning a proposal by Banco Atlantico, S.A., Barcelona, Spain, ("Atlantico") to establish an agency in Miami, Florida.
- San Francisco First Pacific Investments Limited, Monrovia, Liberia, and First Pacific Holdings Limited, Hong Kong, prior notification of its intent to acquire all the outstanding shares of The Hong Nin Bank, Limited, Hong Kong.
- San Francisco Standard Chartered PLC, et al. Standard Chartered Bank, Standard Chartered Overseas Holdings Limited all of London, England -- retroactive notice of additional investment in their wholly-owned subsidiary, StanChart Export Trading Company (formerly StanChart Export Services Company)

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

Received

- Atlanta Pontchartrain Bancshares, Inc., Metairie, Louisiana -- for approval to acquire 100 percent of the voting shares of Pontchartrain State Bank, Metairie, Louisiana. 2/

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

## APPLICATIONS RECEIVED - Continued

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

- Boston Granite State Bankshares, Inc., Keene, New Hampshire -- to engage *de novo* (making, acquiring and/or servicing loans for itself or for others of the type made by a mortgage company) through GSBI Mortgage, Inc., Keene, New Hampshire. The activities would be conducted on a nationwide basis. (1/23/87)
- New York The Royal Bank of Canada, Montreal, Canada -- to engage *de novo* (advising a mortgage company registered under the Investment Company Act of 1940; providing portfolio investment advice to any person; providing economic information and advice, statistical forecasting services, and industry studies) through an indirect subsidiary, Capel Court Pacific, Inc., Los Angeles, California. The geographic area to be served encompasses all 50 states and the District of Columbia. (1/21/87)
- Cleveland Equimark Corporation, Pittsburgh, Pennsylvania -- to engage *de novo* (engaging in operating a collection agency) through a wholly-owned subsidiary, Equimanagement, Inc, Pittsburg, Pennsylvania. The activity will be conducted throughout the United States. (1/20/87)
- Atlanta SunTrust Banks, Inc., Atlanta, Georgia -- for approval to engage *de novo* in providing financial advisory services to issuers of municipal securities and to assist in the structuring of new issues of such securities through SunTrust Securities, Inc, Atlanta, Georgia.
- Chicago Hayesville Bancshares, Inc., Hayesville, Iowa -- to engage *de novo* (engaging in insurance agency activities in a town of less than 5,000 persons) (1/20/87)

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**APPLICATIONS RECEIVED - Continued**

**Agreements Filed Pursuant to Section 8 of the  
securities Exchange Act of 1934**

Toyo Trust & Banking Co., Ltd. has filed an agreement with the Federal Reserve Bank of San Francisco (which is authorized to accept such agreements on behalf of the Board of Governors under delegated authority), undertaking to comply with all provisions which relate to the use of credit to finance transactions in securities.