



Comptroller of the Currency
Administrator of National Banks

Washington, D.C. 20219

**Corporate Decision #98-46
November 1998**

**DECISION OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY
ON THE APPLICATION TO MERGE
SECURITYBANK TEXAS, ARLINGTON, TEXAS, WITH AND INTO
SOUTHTRUST BANK, NATIONAL ASSOCIATION, BIRMINGHAM, ALABAMA**

October 15, 1998

I. INTRODUCTION

On September 1, 1998, SouthTrust Bank, National Association, Birmingham, Alabama ("SouthTrust") filed an Application ("Merger Application") with the Office of the Comptroller of the Currency ("OCC") for approval to merge SecurityBank Texas, Arlington, Texas ("SecurityBank") with and into SouthTrust under SouthTrust's charter and title, pursuant to 12 U.S.C. §§ 215a-1, 1828(c) & 1831u(a) ("the Interstate Merger"). SouthTrust is an interstate national bank which has its main office in Birmingham and operates branches in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina and Tennessee.¹ SecurityBank has its main office in Arlington, Texas, and operates branches only in Texas. In the Merger Application, OCC approval is also requested for SouthTrust, as the resulting bank, to retain SouthTrust's main office as the main office of the resulting bank under 12 U.S.C. § 1831u(d)(1) and to retain SouthTrust's branches and SecurityBank's main office and branches as branches after the merger under 12 U.S.C. §§ 36(d) & 1831u(d)(1).

SouthTrust is a wholly-owned subsidiary of SouthTrust of Alabama Inc., which in turn is a wholly-owned subsidiary of SouthTrust Corporation, a multistate bank holding company headquartered in Birmingham, Alabama. SecurityBank is not owned or controlled by a bank holding company. As of March 31, 1998, SouthTrust had approximately \$33 billion in assets and \$20 billion in deposits, and SecurityBank had approximately \$81 million in assets and \$73 million in deposits.

¹ SouthTrust operates branches in these states as a result of earlier merger transactions. See, e.g., Decision on the Application to Merge Nine Affiliated Banks into SouthTrust Bank of Alabama, N.A., Birmingham, Alabama (OCC Corporate Decision No. 97-41, June 1, 1997).

II. LEGAL AUTHORITY

A. The Interstate Merger is Authorized under 12 U.S.C. §§ 215a-1 and 1831u.

In the Interstate Merger, SecurityBank will be merged into SouthTrust. In 1994, Congress enacted legislation to create a framework for interstate mergers and branching by banks.² The Riegle-Neal Act added a new section 44 to the Federal Deposit Insurance Act that authorized certain interstate merger transactions beginning on June 1, 1997:

(1) In General. -- Beginning on June 1, 1997, the responsible agency may approve a merger transaction under section 18(c) [12 U.S.C. § 1828(c), the Bank Merger Act] between insured banks with different home States, without regard to whether such transaction is prohibited under the law of any State.

12 U.S.C. § 1831u(a)(1).³

The Riegle-Neal Act also permitted a state to elect to prohibit such interstate merger transactions involving a bank whose home state is the prohibiting state by enacting a law between September 29, 1994, and May 31, 1997, that applies equally to all out-of-state banks and expressly prohibits all mergers involving out-of-state banks. See 12 U.S.C. § 1831u(a)(2) (state "opt-out" laws). In this Merger Application, the home states of the banks are Alabama and Texas. Neither state has laws that opt-out of the interstate merger provisions of the Riegle-Neal Act. Texas law contains two provisions that purport to bar interstate mergers. First, Texas Constitution Article XVI, Section 16(a) bars foreign corporations, other than national banks domiciled in Texas, from exercising banking privileges in Texas. Second, Texas Finance Code § 32.0095(a), enacted in 1995, prohibits Texas state-chartered banks and national banks with main offices in Texas from engaging in a merger transaction involving an out-of-state bank. However, neither of these provisions meets the requirements in the Riegle-Neal Act for an effective state opt-out

² See Riegle-Neal Interstate Banking and Branching Efficiency Act of 1994, Pub. L. No. 103-328, 108 Stat. 2338 (enacted September 29, 1994) ("the Riegle-Neal Act").

³ See Riegle-Neal Act § 102(a) (adding new section 44, 12 U.S.C. § 1831u). The Act also made conforming amendments to the provisions on mergers and consolidations of national banks to permit national banks to engage in such section 44 interstate merger transactions. See Riegle-Neal Act § 102(b)(4) (adding a new section, codified at 12 U.S.C. § 215a-1). It also added a similar conforming amendment to the McFadden Act to permit national banks to maintain and operate branches in accordance with section 44. See Riegle-Neal Act § 102(b)(1)(B) (adding new subsection 12 U.S.C. § 36(d)).

For purposes of section 1831u, the following definitions apply: The term "home State" means, with respect to a national bank, "the State in which the main office of the bank is located." The term "host State" means, "with respect to a bank, a State, other than the home State of the bank, in which the bank maintains, or seeks to establish and maintain, a branch." The term "interstate merger transaction" means any merger transaction approved pursuant to section 1831u(a)(1). The term "out-of-State bank" means, "with respect to any State, a bank whose home State is another State." The term "responsible agency" means the agency determined in accordance with 12 U.S.C. § 1828(c)(2) (namely, the OCC if the acquiring, assuming, or resulting bank is a national bank). See 12 U.S.C. § 1831u(f)(4), (5), (6), (8) & (10).

law. The provision in the Texas Constitution antedates the Riegle-Neal Act, and so it does not meet the requirement that the state provision be enacted between September 29, 1994, and May 31, 1997. The provision in the Texas Finance Code does not prohibit interstate mergers involving state savings banks, and so it does not meet the Riegle-Neal Act's requirement that the state law apply equally to all banks.⁴ Recently, the appropriate responsible federal banking agencies have approved several interstate mergers under the Riegle-Neal Act involving out-of-state state-chartered banks and state or national banks located in Texas in which the out-of-state state bank was the resulting bank.⁵ In connection with those applications, the Texas Department of Banking issued opinions stating that the Texas law provisions did not meet the requirements of the Riegle-Neal Act for the reasons noted above and concluded that the responsible federal banking agency may approve an interstate merger transaction between insured banks with different home states, one of which is Texas.⁶

Accordingly, the proposed Interstate Merger in this Merger Application may be approved under 12 U.S.C. §§ 215a-1 & 1831u(a). An application to engage in an interstate merger transaction under 12 U.S.C. § 1831u is also subject to certain requirements and conditions set forth in sections 1831u(a)(5) and 1831u(b) of the Riegle-Neal Act. These conditions are: (1) compliance with state-imposed age limits, if any, subject to the Act's limits; (2) compliance with certain state filing requirements, to the extent the filing requirements are permitted in the Act; (3) compliance with nationwide and state concentration limits; (4) community reinvestment compliance; and (5) adequacy of capital and management skills.

The Interstate Merger satisfies all these conditions to the extent applicable. First, the proposal satisfies the state-imposed age requirements permitted by section 1831u(a)(5). Under that section, the OCC may not approve a merger under section 1831u(a)(1) "that would have the effect of permitting an out-of-State bank or out-of-State bank holding company to acquire a bank in a host state that has not been in existence for the minimum period of time, if any, specified in the statutory law of the host State." 12 U.S.C. § 1831u(a)(5)(A). However, the maximum age requirement a state is permitted to set is five years. 12 U.S.C. § 1831u(a)(5)(B). In the proposed Interstate Merger, SouthTrust is acquiring by merger a bank in the host state of Texas. Texas has not yet enacted legislation implementing the interstate merger and branching provisions of the

⁴ For further discussion of Texas Finance Code § 32.0095 and the Riegle-Neal Act's requirements for an effective state opt-out law, see Decision on the Application to Merge NationsBank of Texas N.A., Dallas, Texas, into NationsBank N.A., Charlotte, North Carolina (OCC Corporate Decision No. 98-19, April 2, 1998) (Part II-A-4-b, pages 18-20) ("*OCC NationsBank/Texas Decision*").

⁵ See, e.g., Letter from the Federal Deposit Insurance Corporation Atlanta Regional Office approving the merger of State First National Bank, Texarkana, Texas, into Regions Bank, Birmingham, Alabama (August 6, 1998); Letter from the Federal Reserve Bank of Atlanta approving the merger of FirstBank, Dallas, Texas, into Colonial Bank, Montgomery, Alabama (August 20, 1998); Letter from the Federal Reserve Board approving the merger of Compass Bank, Houston, Texas, into Compass Bank, Birmingham, Alabama (August 28, 1998).

⁶ See, e.g., Letter of Everette D. Jobe, General Counsel, Texas Department of Banking (July 30, 1998). See also Press Release of Texas Department of Banking (May 13, 1998) (Texas Department of Banking announcement that it would permit state banks with their main offices in Texas to engage in interstate merger and branching transactions).

Riegle-Neal Act, and so it does not have an age requirement for interstate mergers between banks. Moreover, SecurityBank has been in existence for more than five years. Thus, the Interstate Merger satisfies the Riegle-Neal Act's age requirement.

Second, the proposed Interstate Merger satisfies the applicable filing requirements. A bank applying for an interstate merger transaction under section 1831u(a) must (1) "comply with the filing requirements of any host State of the bank which will result from such transaction" as long as the filing requirement does not discriminate against out-of-state banks and is similar in effect to filing requirements imposed by the host state on out-of-state nonbanking corporations doing business in the host state, and (2) submit a copy of the application to the state bank supervisor of the host state. See 12 U.S.C. § 1831u(b)(1).⁷ The State of Texas does not have filing requirements that were enacted specifically to address interstate mergers between banks. However, other provisions of Texas law may apply to such mergers. The general provisions addressing mergers of state banks into other financial institutions impose certain notice and filing requirements. Tex. Fin. Code § 32.501(c); Tex. Admin. Code tit. 7, § 15.107. In addition, before transacting business in the state, a bank that is not domiciled or primarily located in Texas must make certain filings with the Secretary of State. Tex. Fin. Code § 59.001(a).⁸ SouthTrust represents that it will comply with these state provisions.⁹ SouthTrust notified the Texas state banking department of the Interstate Merger and provided a copy of its OCC Merger Application. Thus, the Interstate Merger satisfies the Riegle-Neal Act's filing requirements.¹⁰

⁷ Under this provision, states are permitted to impose filing requirements on out-of-state banks that will operate branches in the state as a result of an interstate merger transaction under the Riegle-Neal Act, but the states may impose only those requirements that are within the terms specified. Since Congress has specifically set forth and limited what state filing requirements apply for these interstate transactions, it clearly intended that only those requirements would apply, and the states may not impose others, at least with respect to a resulting out-of-state national bank. For a fuller discussion of this subject, see Decision on the Applications to Merge First Interstate Banks into Wells Fargo Bank, N.A. (OCC Corporate Decision No. 96-29, June 1, 1996) (at pages 4-5, 12-14 & note 11).

⁸ Section 59.001 also provides that a bank that complies with that section is not deemed to be transacting business in the state for purposes of Part Eight of the Texas Business Corporation Act (Tex. Bus. Corp. Act, art. 8.01 *et. seq.*, the general provision dealing with foreign corporations doing business in Texas). See Tex. Fin. Code § 59.001(e). The Texas Business Corporation Act provides that no corporation may obtain authority to transact business in the state under the Texas Business Corporation Act if any one or more of its purposes is to operate a bank. Tex. Bus. Corp. Act, art. 2.01(B)(4)(a). SouthTrust states that representatives of the Texas Secretary of State's office stated this section means that banks are not subject to the provisions of the Texas Business Corporation Act, including the requirement for prior approval from the Secretary of State before commencing business in the State of Texas.

⁹ Since SouthTrust has stated that it will comply with these provisions, we need not consider whether all of the filing requirements in state law are permissible under the Riegle-Neal Act, as discussed in note 7.

¹⁰ SecurityBank is a state bank; thus, its merger into SouthTrust is a merger of a state bank into a national bank. The basic merger provision in federal law governing national bank mergers (12 U.S.C. § 215a, incorporated for Riegle-Neal Act mergers by section 215a-1) provides that, in a merger of a state bank into a national bank, the merger shall not "be in contravention of the law of the State under which such bank is incorporated." Texas law specifically provides for the merger of a state bank into a national bank. See Tex. Fin. Code § 32.501(a).

Third, the proposed interstate merger transaction does not raise issues with respect to the deposit concentration limits of the Riegle-Neal Act. Section 1831u(b)(2) places certain nationwide and statewide deposit concentration limits on section 1831u(a) interstate merger transactions. The responsible agency may not approve an interstate merger transaction if the resulting bank, upon consummation, would control more than 10 percent of the total amount of deposits of United States insured depository institutions. SouthTrust, upon consummation, will not control more than 10 percent of these deposits. Therefore, the nationwide concentration limit is satisfied.

With respect to the statewide concentration limits, the Riegle-Neal Act provides that the responsible agency may not approve an interstate merger application if any bank in the transaction has a branch in any state in which any other bank involved in the transaction has a branch and if the resulting bank, upon consummation, will control 30 percent or more of the total insured deposits in any such state. SouthTrust and SecurityBank do not have any branches in the same state and, therefore, this provision does not apply. Even if it were applicable, SouthTrust upon consummation will not control 30 percent or more of deposits in Texas. Therefore, the statewide concentration limit is satisfied.

Fourth, the proposed interstate merger transaction also does not raise issues with respect to the special community reinvestment compliance provisions of the Riegle-Neal Act. In determining whether to approve an application for an interstate merger transaction under section 1831u(a), the OCC must (1) comply with its responsibilities under section 804 of the federal Community Reinvestment Act ("CRA"), 12 U.S.C. § 2903, (2) take into account the CRA evaluations of any bank which would be an affiliate of the resulting bank, and (3) take into account the applicant bank's record of compliance with applicable state community reinvestment laws. See 12 U.S.C. § 1831u(b)(3). These special community reinvestment provisions are applicable to this Merger Application because it is "an interstate merger transaction in which the resulting bank would have a branch or bank affiliate immediately following the transaction in any State in which the bank submitting the application (as the acquiring bank) had no branch or bank affiliate immediately before the transaction." 12 U.S.C. § 1831u(b)(3). See also H.R. Conf. Rep. No. 651, 103d Cong., 2d Sess. 52 (1994). Prior to this Interstate Merger transaction, SouthTrust has no branch or bank affiliate in Texas; however, it will have a branch there immediately following the transaction. The special community reinvestment provisions are satisfied in this Merger Application. First, the OCC has complied with its responsibilities under Section 804 of the CRA by assessing the applicant bank's record of meeting the credit needs of its entire community and taking such record into account in evaluating this Merger Application. SouthTrust is rated "outstanding" and SecurityBank is rated "satisfactory" for CRA compliance. Second, SouthTrust has no affiliate banks whose CRA evaluations have to be considered. Third, the OCC has taken into account the applicant bank's record of compliance with applicable state community reinvestment laws. Because SouthTrust is an interstate bank, the applicable states are Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee, none of which has state community reinvestment laws that would impose requirements on SouthTrust. The OCC has further considered the Community Reinvestment Act in its customary review of the Merger Application. See Part III-B.

Fifth, the proposal satisfies the adequacy of capital and management skills requirements in the Riegle-Neal Act. The OCC may approve an application for an interstate merger transaction under section 1831u(a) only if each bank involved in the transaction is adequately capitalized as of the date the application is filed and the resulting bank will continue to be adequately capitalized and adequately managed upon consummation of the transaction. See 12 U.S.C. § 1831u(b)(4). As of the date the application was filed, SouthTrust and SecurityBank satisfied all regulatory and supervisory requirements relating to adequate capitalization. Currently, each bank is at least satisfactorily managed. The OCC has also determined that, following the merger, SouthTrust will continue to exceed the standards for an adequately capitalized and adequately managed bank. The requirements of 12 U.S.C. § 1831u(b)(4) are, therefore, satisfied.

B. Following the Merger, the Resulting Bank may Retain the Offices of Both Participating Banks under 12 U.S.C. §§ 36(d) & 1831u(d)(1).

The applicant has requested that, upon the completion of the merger, SouthTrust (as the resulting bank in the merger) be permitted to retain and continue to operate its existing main office in Birmingham as the main office of the resulting bank and to retain and continue to operate as branches (1) its own existing branches and (2) the main office and branches of SecurityBank in Texas. In an interstate merger transaction under section 1831u, the resulting bank's retention and continued operation of the offices of the merging banks is expressly provided for:

(1) Continued Operations. -- A resulting bank may, subject to the approval of the appropriate Federal banking agency, retain and operate, as a main office or a branch, any office that any bank involved in an interstate merger transaction was operating as a main office or a branch immediately before the merger transaction.

12 U.S.C. § 1831u(d)(1). The resulting bank is the "bank that has resulted from an interstate merger transaction under this section [section 1831u(a)]." 12 U.S.C. § 1831u(f)(11). In addition, Congress also added a conforming amendment to the McFadden Act to emphasize that branch retention in an interstate merger transaction under section 1831u occurs under the authority of section 1831u(d):

(d) Branches Resulting From Interstate Merger Transactions. -- A national bank resulting from an interstate merger transaction (as defined in section 44(f)(6) of the Federal Deposit Insurance Act) may maintain and operate a branch in a State other than the home State (as defined in subsection (g)(3)(B)) of such bank in accordance with section 44 of the Federal Deposit Insurance Act [12 U.S.C. § 1831u].

12 U.S.C. § 36(d) (as added by Riegle-Neal Act § 102(b)(1)(B)). Therefore, SouthTrust, the resulting bank in this interstate merger transaction, may retain and continue to operate all of the

existing banking offices of SouthTrust and SecurityBank under 12 U.S.C. §§ 36(d) & 1831u(d)(1).¹¹

Moreover, at its branches in its host state of Texas, as well as in those states in which it is currently situated, SouthTrust is authorized to engage in all activities permissible for national banks, including fiduciary activities. *See, e.g.*, 12 U.S.C. §§ 215a-1 (Riegle-Neal mergers with a resulting national bank occur under the National Bank Consolidation and Merger Act), 215a(e) (the resulting national bank in a merger succeeds to all the rights, franchises, and interests, including fiduciary appointments, of the merging banks), & 1831u(d)(1) (continued operations at retained interstate branches). *See also* Decision on the Application of Bank One Wisconsin Trust Company, N.A. and Bank One Trust Company, N.A. (OCC Corporate Decision No. 97-33, June 1, 1997) (“*OCC Bank One/Wisconsin Decision*”). *Cf.* 12 U.S.C. § 36(f) (general provisions for host state laws applicable to branches in the host state of out-of-state national banks).¹²

III. ADDITIONAL STATUTORY AND POLICY REVIEWS

A. The Bank Merger Act.

The Bank Merger Act, 12 U.S.C. § 1828(c), requires the OCC's approval for any merger between insured banks where the resulting institution will be a national bank. Under the Act, the OCC generally may not approve a merger which would substantially lessen competition. In addition, the Act also requires the OCC to take into consideration the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served. For the reasons stated below, we find the Merger Application may be approved under section 1828(c).

¹¹ By its action in adding section 36(d), Congress made it clear that section 44(d)(1) is an express and complete grant of office-retention authority for interstate merger transactions effected under section 44 and that it operates independently of the provisions for branch retention in mergers under 12 U.S.C. § 36(b)(2). Neither section 36(d) nor section 1831u(d)(1) refer to section 36(b)(2). By expressly providing for office-retention in section 1831u(d)(1) and then incorporating that into the McFadden Act in section 36(d), Congress clearly intended that those provisions apply to branch retention in interstate merger transactions under section 1831u, rather than the complex branch retention provisions of section 36(b)(2).

¹² A provision in the Texas Probate Code appears to bar out-of-state banks from conducting fiduciary business in Texas in general, including at branch offices. *See* Tex. Probate Code § 105A(c) (“No foreign bank or trust company shall establish or maintain any branch office, agency or other place of business within this state, or shall in any way solicit, directly or indirectly, any fiduciary business in this state of the types embraced by subdivision (a) hereof. Except as authorized herein or as may otherwise be authorized by the laws of this state, no foreign bank or trust company shall act in a fiduciary capacity in this state.”) This provision of the Texas Probate Code raises questions regarding the authority of the states to prohibit out-of-state national banks from conducting activities at their lawfully authorized branches similar to those addressed in prior OCC decisions. Since SouthTrust is clearly authorized under federal law to retain and operate branches in Texas and to engage in its authorized business at them, state law cannot prohibit or limit it from doing so. *See, e.g.*, *OCC Bank One/Wisconsin Decision*; *OCC NationsBank/Texas Decision*; Decision on the Applications of Bank Midwest of Kansas, N.A., and Bank Midwest, N.A. (OCC Corporate Decision No. 95-05, February 16, 1995), *reprinted in* Fed. Banking L. Rep. (CCH) ¶ 90,474.

1. Competitive Analysis.

SouthTrust does not currently operate in the market area served by SecurityBank. Thus, the Interstate Merger will present no anticompetitive effects.

2. Financial and Managerial Resources.

The financial and managerial resources of SouthTrust and SecurityBank are considered satisfactory. SouthTrust will realize certain efficiencies through the combination of the two banks and the centralization of most policy-making decisions. The increased geographic diversification into a new market should also strengthen the combined bank. The future prospects of SouthTrust are favorable. Thus, we find the financial and managerial resources factor is consistent with approval of the Merger Application.

3. Convenience and Needs.

The resulting bank will be able to help to meet the convenience and needs of the communities to be served. SouthTrust currently serves areas in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee, and it will continue to serve the needs of those communities. Moreover, there will be no adverse impact on the convenience and needs of the community currently served by SecurityBank because SouthTrust will retain SecurityBank's offices as branches, and there will be no reductions in products or services as a result of the merger. Upon completion of the merger, existing customers of SecurityBank will have access to a significantly greater number of branches, spanning most of the states in the southern United States. Customers who conduct interstate business will benefit from being able to conduct business with SouthTrust as one bank in different states, thereby facilitating greater convenience and a better relationship with the bank. Accordingly, we believe the impact of the merger on the convenience and needs of the communities to be served is consistent with approval of the Merger Application.

B. The Community Reinvestment Act.

The Community Reinvestment Act ("CRA") requires the OCC to take into account the applicants' record of helping to meet the credit needs of their entire communities, including low- and moderate-income neighborhoods, when evaluating certain applications including mergers. See 12 U.S.C. § 2903; 12 C.F.R. § 25.29(a)(3). SouthTrust has an "outstanding" rating with respect to CRA performance, and SecurityBank has a "satisfactory" rating with regard to CRA performance. No public comments were received by the OCC relating to this Merger Application.

In a July 13, 1998, letter to the OCC, South Atlantans for Neighborhood Development (SAND) expressed concern with what it understood to be a proposal by SouthTrust to close two branches in low-to-moderate income areas of Atlanta and to open a branch in Atlanta whose construction would require the demolition of some affordable housing units. SouthTrust decided to close only one of the branches (consolidating its operations with another branch three miles

away) and not to proceed with the demolition of the affordable housing units after it was unable to get a related rezoning proposal approved. In light of the issues raised by SAND, OCC examiners reviewed the bank's record of opening and closing branches in the Atlanta Metropolitan Statistical Area (MSA) subsequent to the most recent CRA public evaluation dated February 8, 1996. We found that SouthTrust has 93 branches in the MSA, of which 24 are in low-to-moderate income areas. Since that evaluation, the bank has closed 11 branches in the MSA, two of which were in low-to-moderate income areas. OCC examiners evaluated the bank's record of providing services to its customers in the Atlanta MSA and found that the bank's delivery systems are reasonably accessible to all portions of the bank's CRA assessment areas, including low-to-moderate income areas.

The Interstate Merger is not expected to have an adverse effect on the resulting bank's CRA performance. SouthTrust, as the resulting bank, will continue its current CRA programs and policies in Alabama and other states where it will have branches. All offices of SecurityBank will remain open. As a general matter, the resulting bank will have the same commitment to helping meet the credit needs of all communities it serves, including the community currently served by SecurityBank. The merger and operation of interstate branches do not alter the resulting bank's obligation to help meet the credit needs of the communities in all the states it serves. We find that approval of the proposed merger is consistent with the CRA.

IV. CONCLUSION AND APPROVAL

For the reasons set forth above, including the representations and commitments made by the applicant, we find that the merger of SouthTrust and SecurityBank is legally authorized as an interstate merger transaction under the Riegle-Neal Act, 12 U.S.C. §§ 215a-1 & 1831u(a); that the resulting bank is authorized to retain and operate the offices of both banks under 12 U.S.C. §§ 36(d) & 1831u(d)(1); and that the application meets the other statutory criteria for approval. Accordingly, this Merger Application is hereby approved.

_____/s/
Raymond Natter
Acting Chief Counsel

10-15-98
Date

Application Control Number: 98-SE-02-0061