

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF UTAH

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|----------------------------|---|------------------------------|
| UNITED STATES OF AMERICA, |) | |
| |) | |
| Plaintiff, |) | |
| |) | |
| v. |) | CIVIL ACTION NO. C-79-0769-A |
| |) | |
| ZIONS UTAH BANCORPORATION, |) | FILED: December 28, 1979 |
| ZIONS FIRST NATIONAL BANK, |) | |
| and FIRST NATIONAL BANK OF |) | |
| LOGAN, |) | |
| |) | |
| Defendants. |) | |

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above-named defendants, and complains and alleges as follows:

I.

JURISDICTION AND VENUE

1. This Complaint is filed and this action is instituted under Section 15 of the Act of Congress of October 15, 1914, as amended (15 U.S.C. §25), commonly known as the Clayton Act, in order to prevent and restrain the violation by the defendants, as hereinafter alleged, of Section 7 of the Clayton Act (15 U.S.C. §18), as amended.

2. Each of the defendants has its principal place of business, transacts business, and is found within the District of Utah.

II.

THE DEFENDANTS

3. Zions Utah Bancorporation (hereinafter referred to as "Zions Bancorp") is made a defendant herein. Zions Bancorp is a bank holding company organized and existing under the laws of the State of Utah, with its principal place of

business in Salt Lake City, Utah. Its principal banking subsidiary is Zions First National Bank.

4. Zions First National Bank (hereinafter referred to as "Zions First National") is made a defendant herein. Zions First National is a subsidiary of Zions Bancorp. Zions First National is a national banking association organized and existing under the laws of the United States of America, with its principal place of business in Salt Lake City, Utah.

5. The First National Bank of Logan (hereinafter referred to as "FNB-Logan") is made a defendant herein. FNB-Logan is a national banking association organized and existing under the laws of the United States of America, with its principal place of business in Logan, Cache County, Utah.

6. Defendants, directly or through subsidiaries, are engaged in commercial banking.

III.

TRADE AND COMMERCE

7. Commercial banks provide a combination of financial services unduplicated by other institutions. Among these services are the acceptance of deposits for safekeeping and convenience in making payments by check, the granting of loans to individuals and businesses, the renting of safety deposit boxes, the collection of drafts, bills, and other commercial instruments, the sale of cashier's checks, the purchase or sale of securities for customers, trust services, and computer and account services.

8. Zions Bancorp is the second largest commercial banking organization headquartered in the State of Utah. As of December 31, 1978, it had total assets of \$1.3 billion. As of June 30, 1979, it has total deposits of more than \$1

billion and controlled 20.4 percent of all commercial bank deposits in the State of Utah.

9. Zions First National was organized in 1957.. It operates its main office in Salt Lake City, 17 other offices in Salt Lake County, and 29 additional offices elsewhere in the State of Utah. As of December 31, 1978, Zions First National had total assets of \$1.2 billion. As of June 30, 1979, it had total deposits of more than \$1 billion and was the second largest bank in the State of Utah, controlling over 20 percent of all commercial bank deposits in the state.

10. FNB-Logan, chartered in 1892, is the tenth largest bank in the State of Utah. It operates its main office in Logan, one branch office in Logan, and another branch in Smithfield, all in Cache County, Utah. As of December 31, 1978, FNB-Logan had total assets of \$57.8 million. As of June 30, 1979, it had total deposits of \$53.6 million. FNB-Logan controls the largest share, 35.4 percent, of deposits held in commercial bank offices in the city of Logan, and controls the second largest share, 27.7 percent, of deposits held in commercial bank offices in Cache County.

11. Commercial banking in Cache County is highly concentrated. As of June 30, 1979, the four largest commercial banking organizations in Cache County controlled 91.5 percent of the total county commercial bank deposits.

12. Zions Bancorp is the only one of Utah's four largest banking organizations which does not currently have an office in Logan or Cache County. It has the capability and incentive to enter commercial banking in Logan and Cache County. It is a significant potential competitor of FNB-Logan and other banking organizations in Cache County and the Logan area.

13. Customers of Zions Bancorp, Zions First National, and FNB-Logan regularly utilize interstate communications, including the mails, telephone, and telegraph, to carry on their business with, apply for, and obtain the services provided by the defendants. Zions Bancorp, Zions First National, and FNB-Logan regularly utilize interstate communications, including the mails, telephone, and telegraph, to conduct business with customers and with other banks located in states other than Utah. Zions First National and FNB-Logan clear checks through the Federal Reserve System's national check collection. These checks represent transactions which must pass through interstate commerce. A substantial number of these transactions represent payments for goods and services passing through interstate commerce and a substantial number of payments were made in interstate commerce. Zions Bancorp, Zions First National, and FNB-Logan are engaged in interstate commerce.

IV

VIOLATION ALLEGED

14. Defendants Zions Bancorp and FNB-Logan have entered into an agreement which, if consummated, will result in the merger of Zions First National and FNB-Logan. On November 30, 1979, the Comptroller of the Currency issued an order approving the proposed merger.

15. The effect of the aforesaid merger of Zions First National and FNB-Logan may be substantially to lessen competition or to tend to create a monopoly in the aforesaid interstate trade and commerce in violation of Section 7 of the Clayton Act in the following ways, among others:

- (a) potential competition between Zions Bancorp and FNB-Logan in Cache County, and portions thereof, including the Logan area, will be eliminated;
- (b) Zions Bancorp will be eliminated as a potential substantial competitive factor in commercial banking in Cache County and portions thereof, including the Logan area; and
- (c) actual and potential competition generally in commercial banking in Cache County and portions thereof, including the Logan area, may be substantially lessened.

PRAYER

WHEREFORE, plaintiff prays:

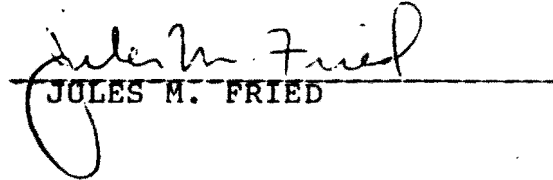
1. That the merger described in paragraph 14 of this complaint be adjudged to be in violation of Section 7 of the Clayton Act.
2. That defendants and all persons acting on their behalf be enjoined from carrying out the aforesaid merger agreement or any similar plan or agreement the effect of which would be to merge, consolidate, or in any other way combine the businesses of said defendants.
3. That the plaintiff have such other and further relief as the Court may deem just and proper.

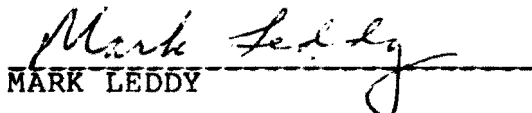
4. That the plaintiff recover the costs of this action.


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Dated: December , 1979