



Department of Justice

FOR IMMEDIATE RELEASE
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The Department of Justice filed suit today to block acquisition of one of Colorado's largest independent banks, the First National Bank of Greeley, by the First National Bancorporation, Inc., of Denver.

Bancorporation is the second largest banking organization in Colorado. The Greeley financial house is described as the third largest independent bank outside of Denver.

Attorney General John N. Mitchell said the civil antitrust action was filed in the United States District Court in Denver under the Bank Merger Act of 1966. The suit halts the acquisition pending court action.

The complaint asserted that the acquisition would violate Section 7 of the Clayton Act by eliminating potential competition between the two banks, eliminating Bancorporation as a potential competitor in Greeley and the Greeley area, and eliminating the Greeley Bank as a potential member of a new holding company capable of entering commercial banking in other areas in Colorado.

The suit further alleged that competition for correspondent bank services for the remaining independent banks in Greeley and the Greeley area may be reduced, and that banking resources in Colorado may be further concentrated in the hands of leading banking organizations in Colorado, thereby enhancing the power of those organizations in banking markets in which they operate.

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The acquisition may trigger similar mergers of leading local banks by the leading banking organizations in the state, and potential competition in commercial banking may be reduced by the continuation of a trend of acquisitions by leading banking organizations in Colorado of independent banks with substantial positions in local markets, thereby reducing diversity in banking choices and promoting parallel policies among leading banks in local markets, the complaint said.

Richard W. McLaren, Assistant Attorney General in charge of the Antitrust Division, explained that Bancorporation controls four subsidiary banks which account for about 15 percent of commercial bank deposits in Colorado. As of December 31, 1969, Bancorporation's four subsidiary banks combined had total assets of about \$668 million, total deposits of about \$530 million, and total loans of more than \$374 million.

Greeley Bank, with its sole office in Greeley, a city of 40,000 located 42 miles north of Denver, had total assets of \$46 million, total deposits of \$40 million, and total loans of \$27 million as of that same date.

The acquisition of Greeley Bank by Bancorporation was approved by a majority of the Board of Governors of the Federal Reserve Board on June 9, 1970.

The government seeks to have the merger declared unlawful and a permanent injunction issued.