



Department of Justice

FOR IMMEDIATE RELEASE
WEDNESDAY, NOVEMBER 25, 1970

The Department of Justice filed suit today to block the acquisition of one of the largest banks in Colorado Springs, Colorado, The Colorado Springs National Bank, by United Banks of Colorado, Inc., Denver, the state's largest banking organization.

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 said the acquisition would violate Section 7 of the Clayton Act by eliminating potential competition between the two banks, by eliminating United as a potential competitor in the Colorado Springs area, and by eliminating the Colorado Springs 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 the Colorado Springs area may be reduced and that banking resources in Colorado may be further concentrated, thereby enhancing the power of leading banking organizations in banking markets in which they operate.

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The acquisition may trigger similar acquisitions of leading local banks by the leading banking organizations in the state, the complaint said.

In addition, the complaint alleged that the acquisition, combined with the trend of acquisitions, by leading banking organizations in Colorado of independent banks with substantial local positions, will substantially reduce existing competition in providing correspondent banking services in Colorado, increase barriers to new entry into correspondent banking in that state, and effectively foreclose the remaining independent banks in many markets in Colorado from access to correspondent banking services.

Assistant Attorney General Richard W. McLaren, head of the Antitrust Division, explained that United controls eight subsidiary banks which account for in excess of 15 percent of commercial bank deposits in Colorado. As of December 31, 1969, United's combined banks had total assets of about \$710 million, total deposits of about \$594 million, and total loans of more than \$399 million.

The Colorado Springs National Bank, with its sole office in Colorado Springs, Colorado's second largest city, had total assets of about \$40 million, total deposits of about \$36 million, and total loans of about \$21 million as of the same date.

The acquisition of The Colorado Springs National Bank by United was approved by a majority of the Board of Governors of the Federal Reserve Board on October 29, 1970.