



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, NOVEMBER 2, 1971

The Department of Justice filed an antitrust suit today seeking to prevent the merger of five Atlanta area banks into two subsidiaries of Citizens and Southern National Bank, the largest banking organization in the State of Georgia.

The suit also charged that the operating relationships which currently exist among those banks, and one other bank in the Atlanta area, unreasonably restrain commercial banking competition.

Attorney General John N. Mitchell said the suit was filed in the U.S. District Court in Atlanta.

Named as defendants in the suit were Citizens and Southern National Bank; its wholly-owned subsidiary, Citizens and Southern Holding Company; and two banks which are owned by the holding company, Citizens and Southern Emory Bank, and Citizens and Southern Bank of East Point.

Also named as defendants were the five suburban banks in DeKalb and Fulton counties which are involved in the proposed mergers -- Citizens and Southern Bank of Chamblee, Citizens and Southern Park National Bank, Citizens and

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Southern South DeKalb Bank, Citizens and Southern Bank of North Fulton, and Citizens and Southern Bank of Sandy Springs. A sixth suburban bank located in DeKalb County, the Citizens and Southern Bank of Tucker, was also named in the suit. The banks were allowed to use the name of Citizens and Southern as part of their operating agreement with C&S National.

This was the third antitrust suit filed this year against banks in the Atlanta area.

The complaint charged that the proposed merger of five suburban banks into C&S Emory and C&S East Point would violate Section 7 of the Clayton Act by substantially lessening competition and increasing concentration in commercial banking in the Atlanta area and in Fulton and DeKalb counties, the two counties which comprise that area.

In addition, the complaint charged that C&S National, its holding company, its two subsidiary banks, and the six suburban banks have combined to unreasonably restrain commercial banking competition in the Atlanta area, in violation of Section 1 of the Sherman Act, by entering into operating relationships which included the joint determination of competitive strategy in the conduct of each bank's business.

C&S National and its subsidiary banks are the leading suppliers of commercial banking services in the Atlanta area, holding total deposits of over \$1.7 billion.

Together, they accounted for about 25% of DeKalb County deposits, about 27% of Fulton County deposits, and about 29% of Atlanta area deposits.

The three suburban banks sought to be merged in DeKalb County -- C&S Chamblee, C&S Park National, and C&S South DeKalb -- together hold deposits of over \$33 million, accounting for about 10% of DeKalb County deposits. The two suburban banks sought to be merged in Fulton County -- C&S North Fulton and C&S Sandy Springs -- together hold deposits of over \$25 million, accounting for about 1% of Fulton County deposits. These five banks together hold about 2% of Atlanta area deposits.

C&S Tucker, the sixth suburban bank named in the complaint, holds approximately \$23 million in deposits, accounting for about 7% of DeKalb County deposits.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said the suit was part of the Justice Department's effort to insure competition in local banking markets.

The Department had filed suit last February 18, seeking to block the merger of two DeKalb County banks into First National Bank of Atlanta; that suit is still pending.

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On May 24, 1971, the Department filed a suit seeking to block the merger of another DeKalb County bank into Trust Company of Georgia; that suit was later dismissed, following the cancellation of the merger agreement.

The current complaint asked for a permanent injunction enjoining C&S National, its subsidiaries, and the suburban banks from carrying out the merger agreements or any plan or agreement which would have a similar purpose or effect. In addition, the suit asked for a permanent injunction terminating certain operating relationships which exist among the banks.

The suit also sought an order enjoining C&S National, any of its subsidiaries, and all persons controlled either directly or indirectly by C&S National, from acquiring control over or merging with any other commercial banking organization in the Atlanta area for a period of ten years from the date of judgment in the action.

The proposed mergers were approved by the Board of Directors of the Federal Deposit Insurance Corporation on October 4, 1971. Consummation of the mergers is halted by the Government's suit pending court action, under the Bank Merger Act of 1966.