



Department of Justice

FOR IMMEDIATE RELEASE
TUESDAY, MAY 25, 1971

The Department of Justice filed an antitrust suit today to prevent Washington Bancshares, Inc., a bank holding company of Spokane, Washington, from obtaining a monopoly of banking services in the Tonasket-Oroville area of Washington.

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

In addition to Washington Bancshares, Inc., the complaint named as defendants Old National Bank of Washington, a subsidiary of Washington Bancshares which is also located in Spokane, and Oroville State Bank of Oroville.

The suit charged that the merger of Old National and Oroville Bank would create a combination to restrain and monopolize banking services in violation of Sections 1 and 2 of the Sherman Act. It also alleged that the proposed merger would eliminate competition between the banks in violation of Section 7 of the Clayton Act.

Acting Assistant Attorney General Walker B. Comegys, Antitrust Division, explained that Old National and Oroville Bank have the only banking offices in the Tonasket-Oroville area. Other Washington banks are prohibited by state law from opening banking offices in either Tonasket or in Oroville, he added.

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As a result, the merger of the two banks would create for Washington Bancshares a complete monopoly of all of the banking services in the area and would permanently eliminate all competition in banking in the area, the suit said.

Old National, which operates 44 offices in the State of Washington, had total assets of about \$356 million on December 31, 1970. Oroville Bank had total assets of about \$7 million as of the same date.

The proposed merger was approved by the Comptroller of the Currency on April 27, 1971. Under the Bank Merger Act of 1966, consummation of the merger is halted by the Government's suit pending court action.