



Department of Justice

FOR IMMEDIATE RELEASE
MONDAY, MAY 24, 1971

The Department of Justice filed a civil antitrust suit today to prevent the merger of Peachtree Bank and Trust Company of Chamblee, Georgia with the Trust Company of Georgia, the state's second largest banking organization.

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

The complaint charged that the proposed merger would violate Section 7 of the Clayton Act by eliminating competition between the banks' offices in DeKalb County, Georgia, and by substantially increasing concentration in commercial banking in DeKalb County. The banks would operate under the charter of the Trust Company of Georgia.

Trust Company, which has one office in DeKalb County, and its subsidiary bank, Trust Company of Georgia Bank of DeKalb, which has all three of its offices in DeKalb County, held about 14.4 percent of total bank deposits in the county on June 30, 1970.

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Trust Company of Georgia is one of the leading commercial banks conducting business in DeKalb County. Its branch office in DeKalb County and the three offices of Trust Company of Georgia Bank of DeKalb had total deposits of approximately \$41.4 million on June 30, 1970. Peachtree Bank, which operates its only office in DeKalb County, held approximately 5.1 percent of total county bank deposits on the same date. Peachtree Bank held total deposits of approximately \$14.8 million as of June 30.

Acting Assistant Attorney General Walker B. Comegys, Antitrust Division, said the suit was part of the Justice Department's effort to insure competition in local banking markets. He also stated that the Department had filed a similar suit on February 18, 1971, seeking to block the merger of two DeKalb County banks into First National Bank of Atlanta.

The complaint asked for a permanent injunction enjoining Trust Company of Georgia and Peachtree Bank from carrying out the merger agreement. It also sought an order requiring Trust Company of Georgia Associates, a wholly owned subsidiary of Trust Company of Georgia, to divest a 5 percent stock interest it had acquired in Peachtree Bank in 1960.

The complaint also asked that Trust Company of Georgia be enjoined from acquiring control over or merging with any other commercial banking organization operating in DeKalb County for a period of 10 years from the date of judgment in the action.

The proposed merger was approved by the Board of Governors of the Federal Reserve System on May 20, 1971. Consummation of the merger is halted by the Government's suit pending court action, under the Bank Merger Act of 1966.