



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, FEBRUARY 18, 1971

The Department of Justice filed an antitrust suit today challenging the acquisition of stock in two banks in DeKalb County, Georgia, by First National Bank of Atlanta, and seeking to block the merger of the banks.

Attorney General John N. Mitchell said the suit was filed in the United States District Court in Atlanta.

Named as defendants were First National Bank of Atlanta, First National Bank of Glenwood, First National Bank of Tucker, and two directors of First National of Atlanta, Alfred D. Kennedy and Emory L. Cocke, both residents of Atlanta.

The challenged stock acquisitions are the acquisition by Alfred D. Kennedy of 96 percent of the outstanding common stock of Glenwood Bank on behalf of First National of Atlanta in 1968, and the acquisition by Emory L. Cocke of more than 90 percent of the outstanding common stock of Tucker Bank on behalf of First National of Atlanta in 1969.

The challenged merger agreements are those agreements entered into by First National of Atlanta with Glenwood Bank and Tucker Bank on May 14, 1970.

OVER

The suit charged that the stock acquisitions and merger agreements were pursuant to combinations in unreasonable restraint of trade, violating Section 1 of the Sherman Act, and that their effect has been and will be substantially to lessen competition or tend to create a monopoly in violation of Section 7 of the Clayton Act.

The suit said First National of Atlanta operates two branch offices and two affiliate banks in addition to Glenwood Bank and Tucker Bank in adjoining DeKalb County.

Glenwood Bank, which was established in 1952, had total assets of \$16.3 million on June 30, 1970; and Tucker Bank, established in 1965, had total assets of \$5.7 million on June 30, 1970. Together, they accounted for approximately 6.5 percent of all bank deposits in DeKalb County as of the same date.

First National of Atlanta had total assets of \$1.0 billion on June 30, 1970, and together with its two other DeKalb County affiliate banks accounted for approximately 13.5 percent of total DeKalb County bank 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 suit asked the Court to require the individual directors to divest all of the stock of Glenwood Bank and Tucker Bank which they had acquired.

It also asked for a permanent injunction enjoining First National of Atlanta, Glenwood Bank, Tucker Bank, and all persons acting on their behalf from carrying out the merger agreements or any plan or agreement which would have a similar purpose or effect.

The complaint also sought an order enjoining First National of Atlanta 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 of First National of Atlanta and Tucker Bank was approved by the Comptroller of the Currency on January 20, 1971. Consummation of the merger is halted by the Government's suit pending court action, under the Bank Merger Act of 1966. An application for approval of First National of Atlanta's proposed merger with Glenwood Bank is presently pending before the Comptroller.