



# Department of Justice

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The Department of Justice filed suit today to block the merger of Wells Fargo Bank, San Francisco, and First Western Bank & Trust Company, Los Angeles.

Attorney General John N. Mitchell said the civil antitrust action was filed in the United States District Court in San Francisco. Under the Bank Merger Act of 1966, the suit halts the merger pending court action.

Assistant Attorney General Richard W. McLaren, in charge of the Antitrust Division, said that the merger is the largest bank merger proposed since passage of the Bank Merger Act of 1966, and one of the largest such mergers ever proposed.

The suit, which names the two banks and their holding company parent corporations, Wells Fargo & Company and Worldamerica Investors Corp., as defendants, charged that the merger would violate Section 7 of the Clayton Act by eliminating actual and potential competition between Wells Fargo Bank and First Western in California as a whole as well as in local banking markets within the state.

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The suit also charged that competition between the two banks in furnishing correspondent banking services to smaller California banks and to banks outside the state would be eliminated as a result of the merger.

It is further alleged that the merger would eliminate competition between Wells Fargo Bank and First Western in commercial and industrial lending to small and intermediate sized businesses in California.

Wells Fargo and First Western are the third and eighth largest commercial banks, respectively, in California, and the 11th and 64th largest in the nation. Together, they operate a total of about 389 banking offices throughout California, including competing offices in eighteen counties of the state.

On December 31, 1970, Wells Fargo Bank had total assets of about \$6.2 billion and total deposits of approximately \$5.3 billion. As of the same date, First Western had total assets of about \$1.1 billion and total deposits of approximately \$902 million.

The merger was approved by the Comptroller of the Currency on December 20, 1971. The Federal Reserve Board and the Federal Deposit Insurance Corporation have both issued reports opposing the merger on the basis of its effect on competition.

The suit seeks to have the merger permanently enjoined.