



Department of Justice

FOR IMMEDIATE RELEASE
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AT

The Department of Justice today filed three civil antitrust suits challenging the acquisition of four Michigan banks by the Michigan National Corporation of Bloomfield Hills, Michigan.

Acting Attorney General Robert H. Bork said the suits were filed in U.S. District Court in Detroit.

One suit challenged Michigan National Corporation's proposed purchase of First National Bank of East Lansing, in East Lansing, Michigan; another suit challenged the acquisition of Valley National Bank, in Saginaw, Michigan; and the third opposed the purchase of the Central Bank, N. A., in Grand Rapids, Michigan, and the First National Bank of Wyoming, in Wyoming, Michigan.

Michigan National Corporation and its subsidiary, Michigan National Bank in Lansing, Michigan, were also named as defendants in all three suits.

The suits halt the acquisitions pending court action under the Bank Holding Act of 1956.

The suits charged that the proposed purchases would violate Section 7 of the Clayton Act by eliminating competition between Michigan National Corporation and the banks to be purchased.

(MORE)

The suits also argued that the proposed acquisitions could increase concentration in commercial banking in the Lansing-East Lansing, Saginaw and Grand Rapids banking markets.

Assistant Attorney General Thomas E. Kauper, in charge of the Antitrust Division, said Michigan National and First National Bank of East Lansing were the largest and seventh largest banks, respectively, in Ingham County, Michigan -- a portion of the Lansing-East Lansing banking market -- with 39.4 percent and 2 percent of total county commercial bank deposits as of June 30, 1972.

At the same time, Michigan National and Valley National Bank were the second and fourth largest banks, respectively, in the Saginaw County banking market, with 25.9 percent and 6.4 percent of total area commercial bank deposits, respectively.

Michigan National, Central Bank, N. A., and First National Bank of Wyoming were the third, fourth and sixth largest banks, in that order, in Kent County, Michigan -- a portion of the Grand Rapids banking market -- with 17.7 percent, 3.2 percent and 1.2 percent of total county commercial bank deposits, respectively.

Michigan National Corporation was the third largest banking organization in Michigan with total assets of \$2.67 billion and total deposits of \$2.38 billion, as of December 30, 1972.

(MORE)

Michigan National, its lead bank, was the largest Michigan bank outside the Detroit metropolitan area and the 55th largest bank in the country, with total assets of \$1.44 billion and total deposits of \$1.29 billion.

First National Bank of East Lansing had assets of \$18.2 million and deposits of \$16.5 million, Valley National Bank of Saginaw had assets of \$49.3 million and deposits of \$43.2 million, Central Bank had assets of \$49 million and deposits of \$42.9 million, and First National Bank of Wyoming had assets of \$18.6 million and deposits of \$15.9 million.

The proposed acquisitions were approved by the Board of Governors of the Federal Reserve System on October 18, 1973.

The suits seek to have the acquisitions declared unlawful and enjoined.

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