



Department of Justice

FOR IMMEDIATE RELEASE
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ATD

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

Attorney General William B. Saxbe said the suits were filed in U.S. District Court in Detroit.

One suit challenged Michigan National Corporation's proposed purchase of Valley National Bank, in Saginaw, Michigan.

The second action sought to bar the acquisition of Central Bank, N.A., in Grand Rapids, Michigan.

Michigan National Corporation's subsidiary, Michigan National Bank, of Lansing, Michigan, was also named as a defendant in each suit.

Similar challenges, originally filed November 14, 1973, were dismissed by a federal district court on February 19, 1974, without prejudice to the right of the Justice Department to refile the suits.

According to the court, the complaints were filed prematurely, in that the Comptroller of the Currency had not ruled on the legality of the transactions under the Bank Merger Act.

The lower court's decision is now being appealed by the Department to the Supreme Court.

The suits halted the acquisitions pending court action under the Bank Merger Act.

(MORE)

The suits alleged that the proposed acquisitions would violate Section 7 of the Clayton Act by eliminating competition between Michigan National Corporation and the banks it seeks to acquire.

The suits also alleged that the proposed acquisitions would increase concentration in commercial banking in the Saginaw and Grand Rapids banking markets.

Acting Assistant Attorney General Bruce B. Wilson, in charge of the Antitrust Division, said that in 1972 Michigan National Bank and Valley National Bank of Saginaw were the second and fourth largest banks, respectively, in the Saginaw County banking market, with 25.9 and 6.4 percent of total area commercial bank deposits, respectively.

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

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

Valley National Bank of Saginaw had assets of \$49.3 million and deposits of \$43.2 million in 1972, and Central Bank had assets of \$49 million and deposits of \$42.9 million.

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The proposed acquisitions were approved by the Board of Governors of the Federal Reserve System on October 18, 1973, and by the Comptroller of the Currency on May 16, 1974.

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

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