



Department of Justice

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The Department of Justice today filed a civil antitrust suit against two commercial banks and their common owner, seeking divestiture of the owner's interest in either bank.

The defendants are Central State Bank of Beulah, Michigan, State Savings Bank of Frankfort, Michigan, and Harry C. Calcutt, a resident of Traverse City, Michigan.

Attorney General William French Smith said that the complaint which alleges a violation of Section 1 of the Sherman Act, was filed in the United States District Court in Grand Rapids, Michigan.

The complaint alleges that defendants and other co-conspirators entered into an agreement, the effect of which has been to eliminate competition between Central and State, accomplished through Calcutt's control over both entities.

Calcutt is chairman of the board of directors, a director, and a shareholder of Central, in addition to being president, a director, and the majority shareholder of State.

According to the complaint, Central is the second largest bank in Benzie County, with 28 percent of the total deposits held by depository institutions in the county. State, whose office is located approximately seven miles from Central's offices, is the third largest, with 25.7 percent of the deposits.

(MORE)

The suit alleges that defendants and other co-conspirators have violated Section 1 of the Sherman Act by engaging in an unlawful contract, combination and conspiracy in unreasonable restraint of trade.

The complaint asks that the defendants' actions be declared unlawful and that Calcutt be required to divest his interest in either bank.

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