

UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA,)
)
 Plaintiff,)
)
 v.)
)
 THE FIRST NATIONAL BANK OF)
 PLATTEVILLE and)
 MOUND CITY BANK,)
)
 Defendants.)

Civil Action No. 73-C-11
Filed: 1/12/73

COMPLAINT

The United States of America, plaintiff, by its attorneys, acting under the direction of the Attorney General of the United States, brings this civil action to obtain equitable relief against the above named defendants, and complains and alleges as follows:

I

JURISDICTION AND VENUE

1. This complaint is filed and this action is instituted under Section 15 of the Act of Congress of October 15, 1914, as amended (15 U.S.C. § 25), commonly known as the Clayton Act, in order to prevent and restrain violation by the defendants, as hereinafter alleged, of Section 7 of the Clayton Act, as amended (15 U.S.C. § 18).

2. Each of the defendants has its principal place of business, transacts business, and is found within the Western District of Wisconsin.

II

THE DEFENDANTS

3. The First National Bank of Platteville (hereinafter referred to as "First **National**") is made a defendant herein. First National is a commercial banking association organized under the laws of the United States of America and maintains its principal place of business in Platteville, Grant County, Wisconsin.

4. Mound City Bank (hereinafter referred to as "City **Bank**") is made a defendant herein. City Bank is a commercial banking association organized under the laws of the **State** of Wisconsin and maintains its principal place of business in Platteville, Grant County, Wisconsin.

III

DEFINITION

5. As used in this complaint, the term "Platteville area" means the area in Wisconsin within 17 miles of the City of Platteville.

IV

TRADE AND COMMERCE

6. Commercial banks fill an essential and unique role in the nation's economy. Their principal functions are the acceptance of deposits for safekeeping and convenience in making payments by check, the granting of loans or advances of funds to individuals and business firms, and the creation through demand deposits of net additions to the supply of money. Most money payments in the United States are made through checks drawn against demand deposits, and the creation and holding of such deposits is a function peculiar to commercial

banks and one which makes them to a great extent the administrators of the nation's check payment system. Through the making of loans to individuals and businesses, commercial banks supply a significant part of the credit requirements of the nation's economy. Commercial banks also accept time deposits from various types of depositors and provide a wide variety of other financial services, including personal and corporate trust accounts, the collection of drafts, bills, and other commercial instruments, the acceptance of bills of exchange, the issuance of letters of credit, the sale of cashier's checks and drafts on correspondent banks, the purchase or sale of securities for customers, the sale of foreign exchange, and the renting of safety deposit boxes. This combination of services is unduplicated by other financial institutions.

7. Commercial banks, because of the importance of bank credit to business and other borrowers and the close relationship of banks with many such borrowers, and because of their holdings of stock in trust accounts, have an important influence on competition in all branches of industry and commerce served by the banking system.

8. Customers of First National and of City Bank have regularly utilized interstate communications, including the mails, telephone and telegraph, to carry on their business with, apply for, and obtain the services provided by these banks. First National and City Bank have regularly utilized interstate communications, including the mails, telephone and telegraph, to conduct business with customers and with other banks located in states other than Wisconsin. First National and City Bank are each engaged in interstate commerce.

9. First National was organized in 1891. It operates its only office in the City of Platteville. On December 31, 1971, First National had total assets of \$12.4 million, total deposits of \$11.3 million, and net loans and discounts of \$3.7 million.

10. City Bank was organized in 1915. It operates its main office in the City of Platteville and a branch office in Belmont, seven miles east of the City of Platteville. On December 31, 1971, City Bank had total assets of \$17.3 million, total deposits of \$15.7 million, and net loans and discounts of \$5.7 million.

11. The primary area within which First National and City Bank provide commercial banking services is the Platteville area. The head offices of First National and City Bank are located three blocks apart in the business center of the City of Platteville. The predominant share of the business of First National and City Bank is derived from the Platteville area.

12. First National and City Bank are significant competitors of each other and of other commercial banks in the City of Platteville and in the Platteville area. Competition between the defendant banks is most direct in the City of Platteville, where the head offices of each of the defendant banks compete with each other and with the head office of one other commercial bank. Deposits of banking customers located in the City of Platteville constitute 87 percent of the total deposits in First National, and 67 percent of the total deposits in the head office of City Bank.

13. The Platteville area is a concentrated banking market. Nine commercial banks, including the defendant banks, operate a total of 12 banking offices in the Platteville area. As of

June 30, 1972, City Bank held the largest share of total deposits in commercial banking offices in the Platteville area, approximately 17.2 percent. On that date, First National held the fifth largest share of such deposits, approximately 12.2 percent. If the proposed merger were consummated, the resulting bank would hold about 29.4 percent of such deposits, almost twice the share of the next leading bank.

14. The City of Platteville is a highly concentrated banking market. Three commercial banks, including the defendant banks, each operate one office in the City of Platteville. As of June 30, 1972, City Bank held approximately 33.1 percent of total deposits in commercial bank offices in the City of Platteville, while First National held approximately 29.2 percent of such deposits. If the proposed merger were consummated, the resulting bank would hold about 62.3 percent of such deposits, substantially in excess of the share of its only remaining competitor in the city.

V

VIOLATION ALLEGED

15. Defendants First National and City Bank entered into an agreement on or about July 12, 1972, approved by their respective boards of directors, which, if carried out, will result in the merger of City Bank and First National under the charter of the latter, with the title First Mound City National Bank. The Comptroller of the Currency granted approval of the proposed merger of the defendant banks on December 14, 1972.

16. The effect of the merger described in paragraph 15 above, pursuant to the agreement noted therein, may be substantially to lessen competition or to tend to create a monopoly in violation of Section 7 of the Clayton Act in the following ways, among others:

(a) existing competition between the defendants First National and City Bank will be eliminated;

(b) competition generally in commercial banking in the Platteville area, and in the City of Platteville will be substantially lessened and a tendency to monopoly created; and

(c) concentration in commercial banking in the Platteville area and in the City of Platteville will be increased.

PRAYER

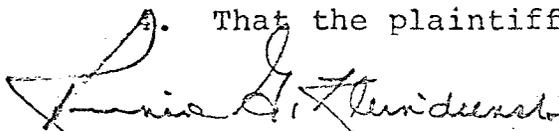
WHEREFORE, plaintiff prays:

1. That the proposed merger described in paragraph 15 of this complaint be adjudged to be unlawful, in violation of Section 7 of the Clayton Act.

2. That the defendants First National and City Bank and all persons acting on their behalf be enjoined from carrying out the aforesaid merger agreement, or any similar plan or agreement, the effect of which would be to merge, consolidate, or in any other way combine the businesses of said defendants.

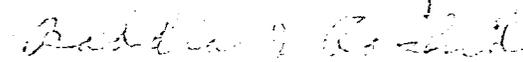
3. That the plaintiff have such other and further relief as the court may deem just and proper.

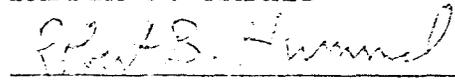
4. That the plaintiff recover the costs of this suit.



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