

II

THE DEFENDANTS

3. County National Bank of Bennington (hereinafter referred to as "County National") is made a defendant herein. County National is a commercial banking association organized and existing under the laws of the United States of America, and has its principal place of business in Bennington, Bennington County, Vermont.

4. Catamount National Bank (hereinafter referred to as "Catamount") is made a defendant herein. Catamount is a commercial banking association organized and existing under the laws of the United States of America, and has its principal place of business in North Bennington, Bennington County, Vermont.

III

DEFINITION

5. As used in this complaint, the term "Bennington area" means the area consisting of the townships of Arlington, Sunderland, Shaftsbury, Glastenbury, Bennington, Woodford, Searsburg, Pownal, Stamford, and Readsboro, located in central and southern Bennington County in the State of Vermont.

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 checks, 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. The primary area within which County National provides commercial banking services is the Bennington area. The head office of County National is located in Bennington,

in southern Bennington County. It operates its only branch office in Arlington, approximately 15 miles north in central Bennington County. Catamount's head office, in North Bennington, is located five miles northwest of Bennington. Catamount operates a branch in Bennington, approximately three miles northwest of County National's home office. Catamount also has branch offices in Manchester Center and Brattleboro. The predominant share of the business of County National and Catamount is derived from the Bennington area.

9. County National is the third largest commercial bank located and the second largest commercial bank headquartered in the Bennington area. As of June 30, 1968, it had total assets of \$17.1 million, total deposits of \$14.7 million, and net loans and discounts of \$7.4 million.

10. Catamount is the second largest commercial bank located and the largest commercial bank headquartered in the Bennington area. As of June 30, 1968, it had total assets of \$20.4 million, total deposits of \$18.1 million, and net loans and discounts of \$13.4 million.

11. County National and Catamount are significant competitors of each other and of other commercial banks within the Bennington area. The Bennington area is a highly concentrated banking market. As of June 30, 1968, Catamount held the second largest share, approximately 30.7 percent, of total deposits held by all commercial banking offices in the Bennington area. On that date, County National held the third largest share, approximately 30.3 percent, of such deposits. If the proposed merger were consummated, the resulting bank would hold approximately 61 percent of total

deposits held by all commercial banking offices in the Bennington area. The share of total deposits held by the two banks holding the largest shares of total deposits in the Bennington area would, if the proposed merger were consummated, increase from 61.5 percent to 91.7 percent of such deposits.

12. Customers of County National and Catamount regularly utilize interstate communications, including the mails, telephone and telegraph, to carry on their business with, apply for, and obtain the services provided by these banks. Each of the defendant banks regularly utilizes interstate communications, including the mails, telephone and telegraph, to conduct business with customers, and with other banks located in states other than Vermont. Each of the defendant banks is engaged in interstate commerce.

V

OFFENSE CHARGED

13. Defendants County National and Catamount have entered into an agreement, approved by their respective Boards of Directors on or about June 4 and June 5, 1970, which, if carried out, will result in the consolidation and merger of County National and Catamount under the charter of County National and with the title Catamount National Bank. The Comptroller of the Currency granted approval of the proposed merger of the defendant banks on October 9, 1970.

14. The effect of the consolidation and merger of County National and Catamount, pursuant to the agreement described in paragraph 13 above, 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) competition between the defendants will be permanently eliminated;
- (b) competition generally in commercial banking in the Bennington area will be substantially lessened and a tendency to monopoly created; and
- (c) concentration in commercial banking in the Bennington area will be substantially increased.

PRAYER

WHEREFORE, plaintiff prays:

1. That the aforesaid merger of County National and Catamount, pursuant to the agreement described in paragraph 13 of this complaint, be adjudged to be unlawful and in violation of Section 7 of the Clayton Act.

2. That the defendants County National and Catamount and all persons acting on their behalf be enjoined from carrying out the aforesaid agreement of merger, 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.

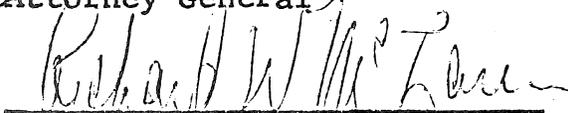
3. That the plaintiff have such other and further relief as the Court may deem just and proper.

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



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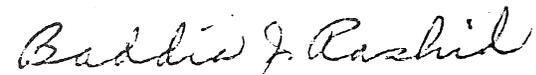
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