

UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF GEORGIA

UNITED STATES OF AMERICA,

Plaintiff,

v.

TRUST COMPANY OF GEORGIA and
PEACHTREE BANK AND TRUST COMPANY,

Defendants.

Civil Action No. 15-164

Filed: May 24, 1971

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, c. 323, 38 Stat. 736, as amended (15 U.S.C. § 25), commonly known as the Clayton Act, in order to prevent and restrain the violation by the defendants, as hereinafter alleged, of Section 7 of the Clayton Act, 38 Stat. 731, 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 Northern District of Georgia.

II

THE DEFENDANTS

3. Trust Company of Georgia (hereinafter referred to as "Trust Company") is made a defendant herein. Trust Company is a banking association organized and existing under the laws of the State of Georgia, and has its principal place of business in Atlanta, Fulton County, Georgia.

4. Peachtree Bank and Trust Company (hereinafter referred to as "Peachtree Bank") is made a defendant herein. Peachtree Bank is a banking association organized and existing under the laws of the State of Georgia, and has its principal place of business in Chamblee, DeKalb County, Georgia.

III

TRADE AND COMMERCE

5. 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 administrator of the nation's check payment system. Through the making of loans to individuals and business firms, 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.

6. Trust Company operates its head office and 18 other banking offices providing commercial banking services in the City of Atlanta, in Fulton County. It also operates one branch office in a section of Atlanta called East Atlanta, which extends into adjacent DeKalb County. Trust Company's wholly owned subsidiary, Trust Company of Georgia Associates, owns more than 85 percent of the stock of Trust Company of Georgia Bank of DeKalb ("Trust Company-DeKalb"), which operates three banking offices, all located in DeKalb County. Trust Company of Georgia Associates also owns 5 percent of the stock of Peachtree Bank. Peachtree Bank's home office is located in north central DeKalb County, approximately 12-3/4 miles northeast of Trust Company's main office. Peachtree Bank's home office is located approximately 5 miles from the nearest branch office of Trust Company and approximately 3-1/4 miles from the nearest branch office of Trust Company-DeKalb. Peachtree Bank's branch office is located approximately 4-3/4 miles from the nearest branch office of Trust Company, approximately 3-1/4 miles from the nearest branch office of Trust Company-DeKalb, and approximately 4-1/2 miles from Trust Company of Georgia Bank of Sandy Springs,

a Fulton County bank whose merger into Trust Company has been approved by the Board of Governors of the Federal Reserve System and which will be operated as a branch of Trust Company. The predominant share of the business of Peachtree Bank, Trust Company-DeKalb, and Trust Company's branch in DeKalb County is derived from DeKalb County. Trust Company has also received approval for three additional branch offices, and has applications pending for approval for two additional branch offices, in DeKalb County.

7. Trust Company is one of the leading commercial banks conducting business in DeKalb County. As of June 30, 1970, Trust Company had total assets of \$689.3 million, total deposits of \$474.2 million, and net loans and discounts of \$315.6 million. As of the same date, Trust Company's branch office in DeKalb County had total deposits of \$21.6 million. Also as of the same date, Trust Company-DeKalb had total deposits of \$19.8 million.

8. As of June 30, 1970, Peachtree Bank had total assets of \$17.4 million, total deposits of \$14.8 million, and net loans and discounts of \$10.2 million.

9. Trust Company (along with Trust Company-DeKalb) and Peachtree Bank are significant competitors of each other and other commercial banks within DeKalb County. As of June 30, 1970, Trust Company and Trust Company-DeKalb held approximately 14.4 percent of total deposits held by all commercial banking offices in DeKalb County. On that date, Peachtree Bank held approximately 5.1 percent of such deposits.

10. DeKalb County is a concentrated banking market. As of June 30, 1970, the four largest commercial banks (including their subsidiaries) in DeKalb County in terms

of total deposits held over 65 percent of such deposits. With the acquisition of Peachtree Bank by Trust Company, these banks would hold approximately 71 percent of total county deposits.

11. Customers of Trust Company and Peachtree Bank regularly utilize interstate communications including the mails, telephone, and telegraph, to carry on their business with, and 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, and conducts business with, or provides services to, customers, institutions and other banks located in states other than Georgia. Each of the defendant banks is engaged in interstate commerce.

V

OFFENSE ALLEGED

12. Defendants Trust Company and Peachtree Bank entered into an agreement, approved by their respective Boards of Directors on September 8, 1970 and August 11, 1970, which, if carried out, will result in the merger of Trust Company and Peachtree Bank under the charter and with the title of Trust Company of Georgia. The Board of Governors of the Federal Reserve System issued an order approving the proposed merger of the defendants on May 20, 1971.

13. The effect of the aforesaid agreement to merge Trust Company and Peachtree Bank may be substantially to lessen competition or tend to create a monopoly in violation of Section 7 of the Clayton Act in the following ways, among others:

(a) Actual competition and the potential for increased competition between defendants Trust Company and Peachtree Bank will be eliminated;

(b) Competition generally in commercial banking in DeKalb County will be substantially lessened; and

(c) Concentration in commercial banking in DeKalb County will be substantially increased.

PRAYER

WHEREFORE, plaintiff prays:

1. That the aforesaid merger of Trust Company and Peachtree Bank, pursuant to the agreement described in paragraph 12 of this complaint, be adjudged to be unlawful and in violation of Section 7 of the Clayton Act.

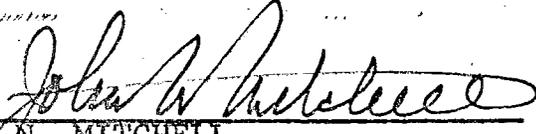
2. That defendant Trust Company and all persons acting on Trust Company's behalf be required to divest themselves of all stock and other interests in defendant Peachtree Bank heretofore acquired, under such terms as this Court may prescribe.

3. That the defendants Trust Company and Peachtree Bank, 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 business of said defendants.

4. That the defendant Trust Company be enjoined for a period of ten years from the date of judgment in this action from acquiring control over or merging, consolidating or combining with any other commercial banking organizations operating in DeKalb County, Georgia.

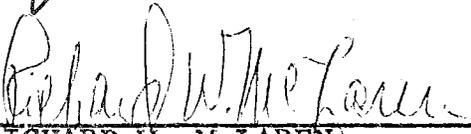
5. That the plaintiff have such other and further relief as the Court may deem just and proper.

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



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