

IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS

UNITED STATES OF AMERICA,

Plaintiff,

v.

THE FORT WORTH NATIONAL
CORPORATION and MUTUAL
SAVINGS AND LOAN ASSOCIATION,

Defendants.

Civil No. CA-4-1827

Filed: September 14, 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 Texas.

II

THE DEFENDANTS

3. The Fort Worth National Corporation (hereinafter referred to as "National Corporation") is made a defendant herein. National Corporation is a bank holding company organized under the laws of the State of Texas and maintains its principal place of business in Fort Worth, Tarrant County, Texas. It owns The Fort Worth National Bank, Fort Worth, Tarrant County, Texas (hereinafter "Fort Worth National") and has other subsidiaries engaged in mortgage banking, investments, real estate development, insurance and ranch management.

4. Mutual Savings and Loan Association (hereinafter referred to as "Mutual Savings") is made a defendant herein. Mutual Savings is a savings and loan association organized under the laws of the State of Texas and maintains its principal place of business in Fort Worth, Tarrant County, Texas.

III

DEFINITIONS

5. As used in this complaint, the term "Fort Worth SMSA" means the Tarrant - Johnson County Standard Metropolitan Statistical Area.

IV

TRADE AND COMMERCE

6. Through the making of loans, including real estate mortgage loans to individuals and businesses, commercial banks supply a significant part of the credit requirements of the Nation's economy. Commercial banks also

accept savings deposits and other time deposits from individuals and other depositors and provide a wide variety of other financial services.

7. Savings and loan associations are a leading type of savings institution and fill an important role in the Nation's economy. Historically, they were established to encourage thrift among individuals of limited financial means and this is still one of their primary functions. They provide savings depositories for individuals and other depositors and supply a large portion of the funds required for real estate mortgage loans.

8. Commercial banks and savings and loan associations compete for savings and time deposits and for real estate mortgage loans.

9. Customers of Fort Worth National and of Mutual Savings 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 financial institutions. Fort Worth National and Mutual Savings have regularly utilized interstate communications, including the mails, telephone and telegraph, to conduct business with customers and with other banks and savings and loan associations located in states other than Texas. Fort Worth National and Mutual Savings are engaged in interstate commerce.

10. Fort Worth National operates its sole office in Fort Worth, Tarrant County, Texas. It is the largest

commercial bank in Fort Worth, in Tarrant County and in the Fort Worth SMSA. As of December 31, 1970, it had total assets of \$574 million, total deposits of \$470 million and loans and discounts of \$288 million.

11. Mutual Savings operates its main office and a branch office in Fort Worth, Tarrant County, Texas, and a branch office in Arlington, Tarrant County, Texas. It is the third largest savings and loan association in Fort Worth, Tarrant County and the Fort Worth SMSA in terms of savings accounts held in offices of savings and loan associations in Fort Worth, Tarrant County and the Fort Worth SMSA. As of December 31, 1970, it had total assets of \$68 million, total savings accounts of \$56 million and total loans of \$58 million.

12. As of June 30, 1970, there were eighteen commercial banks in Fort Worth, thirty-five in Tarrant County and forty-one in the Fort Worth SMSA. As of May 30, 1970, there were seven savings and loan associations in Fort Worth, nine in Tarrant County and ten in the Fort Worth SMSA.

13. As of June 30, 1970, Fort Worth National held the second largest share of time and savings deposits in offices of commercial banks and savings and loan associations in Fort Worth, in Tarrant County and in the Fort Worth SMSA. Its share of such deposits in Fort Worth was approximately 17%; its share of such deposits in Tarrant County was approximately 14%; and its share of such deposits in the Fort Worth SMSA was approximately 14%.

14. As of May 31, 1970, Mutual Savings held the sixth largest share of time and savings deposits in offices of commercial banks and savings and loan associations in Fort Worth, and the fifth largest share of such deposits in Tarrant County and in the Fort Worth SMSA. Since that date, the third largest savings and loan association in Fort Worth, Tarrant County and the Fort Worth SMSA has merged with a smaller savings and loan association to become the second largest savings association in these areas. Mutual Savings now holds the sixth largest share of time and savings deposits of commercial banks and savings and loan associations in Tarrant County and in the Fort Worth SMSA.

15. As of May 31, 1970, Mutual Savings' share of time and savings deposits in offices of commercial banks and savings and loan associations in Fort Worth was approximately 7%; its share of such deposits in Tarrant County was approximately 6%; and its share of such deposits in the Fort Worth SMSA was approximately 6%.

16. Both Fort Worth National and Mutual Savings make substantial real estate mortgage loans in Fort Worth, Tarrant County and the Fort Worth SMSA.

V

OFFENSE

17. Defendants National Corporation and Mutual Savings entered into an agreement on or about December 22, 1970, which, if carried out, would result in the acquisition by National Corporation of 100 percent of the voting shares of Mutual Savings. The Federal Home Loan Bank Board denied approval of the proposed acquisition on August 25, 1971. On September 14, 1971, the United States District Court for the Northern District of Texas ruled that the acquisition could be consummated.

18. The effect of the proposed acquisition described in Paragraph 17 above may be substantially to lessen competition or tend to create a monopoly in violation of §7 of the Clayton Act in the following ways, among others:

(a) Competition between the defendants for savings deposits, specific types of such deposits, for real estate mortgage loans, and for specific types of such loans will be completely and permanently eliminated;

(b) Competition generally for savings deposits and for specific types of such deposits in Fort Worth, Tarrant County

and in the Fort Worth SMSA may be substantially lessened;

(c) Competition generally for real estate mortgage loans and for specific types of such loans in Fort Worth, Tarrant County and in the Fort Worth SMSA may be substantially lessened;

(d) Concentration in the market for savings deposits and for specific types of such deposits will be substantially increased in Fort Worth, Tarrant County and in the Fort Worth SMSA;

(e) Concentration in the market for real estate mortgage loans and for specific types of such loans will be substantially increased in Fort Worth, Tarrant County and in the Fort Worth SMSA; and

(f) Similar acquisitions of leading savings and loan associations by leading commercial banks in Fort Worth, Tarrant County and the Fort Worth SMSA may be triggered.

PRAYER

WHEREFORE, plaintiff prays:

1. That the agreement described in paragraph 17 of this complaint be adjudged to be unlawful, in violation of Section 7 of the Clayton Act.

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


3. That a preliminary injunction be issued preventing and restraining defendants from taking any action in furtherance of the acquisition agreement described in paragraph 17 of this complaint, or any similar agreement or plan, pending final adjudication of the merits of this complaint.

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

5. That plaintiff recover the costs of this action.



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