

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil Action
)	No. 4-70667
MICHIGAN NATIONAL CORPORATION,)	
MICHIGAN NATIONAL BANK, and)	
FIRST NATIONAL BANK OF EAST LANSING,)	
and E. L. NATIONAL BANK,)	
)	
Defendants,)	
)	
and)	Filed: June 29, 1976
)	
JAMES E. SMITH, COMPTROLLER OF)	
THE CURRENCY,)	Entered: September 22, 1976
)	
Intervenor.)	

FINAL JUDGMENT

Plaintiff United States of America, having filed its complaint herein on November 14, 1973, and defendants having appeared by their attorneys, and plaintiff and the defendants, by their respective attorneys, having consented to the entry of this Final Judgment without trial or adjudication of any issue of law or fact herein and without this Final Judgment constituting evidence or admission by any party with respect to any issue of law or fact herein;

NOW, THEREFORE, before the taking of any testimony and without trial or adjudication of any issue of fact or law herein, and upon the consent of the parties hereto, it is hereby ORDERED, ADJUDGED, AND DECREED:

I

This Court has jurisdiction over the subject matter herein and the parties consenting hereto. The complaint states a claim upon which relief may be granted under Section 7 of the Act of Congress of October 15, 1914 (15 U.S.C. §18), as amended, commonly known as the Clayton Act.

II

As used in this Final Judgment:

(A) "Michigan National" means defendants Michigan National Corporation, Michigan National Bank and their subsidiaries;

(B) "First National" means defendant First National Bank of East Lansing.

III

The provisions of this Final Judgment shall apply to the defendants and to their officers, directors, agents, employees, successors and assigns and all other persons in active concert or participation with any of them who receive actual notice of this Final Judgment by personal service or otherwise.

IV

(A) Michigan National is hereby ordered and directed to divest, as a single competitive entity, all of its ownership interest, direct or indirect, in First National within two (2) years and six (6) months of the date of entry of this Final Judgment. If the divestiture has not been made within said two and one-half year period, Michigan National is ordered and directed to immediately commence to divest by means of a spin off to its own shareholders all of its ownership interest in First National.

(B) Michigan National shall take such action as is necessary for First National to sustain itself as a viable banking entity in order to insure Michigan National's ability to comply with subsection (A).

(C) Michigan National shall submit to plaintiff for approval the details of any proposed plan of divestiture intended to implement the provisions of subsection (A) above. Within thirty (30) days of the receipt of these details, the plaintiff may request supplementary information concerning the plan, which shall be furnished by Michigan National. Following the receipt of any such supplementary information submitted pursuant to plaintiff's request for such information, plaintiff shall have thirty (30) days in which to object to such plan of divestiture by written notice to Michigan National. If no request for supplementary information is made, said notice of objection shall be given within thirty (30) days of receipt of the originally submitted details of the plan. If plaintiff objects to the proposed plan it shall not be consummated unless plaintiff withdraws its objection or the Court gives its approval to the plan notwithstanding the objection.

(D) If the proposed plan of divestiture is contingent upon the approval of the Board of Governors of the Federal Reserve System or any other federal or state bank regulatory agency, the time period set forth in subsection (A) above shall be tolled from the date of application to the Board or agency until such application is approved or denied.

(E) Should Michigan National regain ownership or control of any property divested pursuant to this Final Judgment, Michigan National shall divest such reacquired

property in accordance with the provisions of this Final Judgment within two (2) years from the date of such re-acquisition.

V

No officer, director or employee of Michigan National shall at the same time be an officer, director, agent or employee of the purchaser of any stock or assets divested pursuant to this Final Judgment.

VI

Michigan National is enjoined and restrained, for a period of five (5) years from the effective date of this Final Judgment from acquiring all or part of the stock or assets of any commercial bank by merger or any other means within a fifteen (15) mile radius of Grand Rapids or Saginaw, Michigan without the prior consent of plaintiff or if plaintiff does not give its consent, without the approval of the Court. Nothing in this section shall be construed to prohibit, or require said prior consent as to, the creation and acquisition of de novo banking subsidiaries or the reorganization of existing bank subsidiaries or their branches, or the acquisition of a bank or its assets where a state or federal regulatory agency determines that said bank has failed or that an acquisition must be effected immediately to prevent probable failure.

VII

Beginning ninety (90) days after the date of entry of this Final Judgment, and continuing at the end of every six (6) month period during the divestiture period, Michigan National shall furnish a written report to plaintiff

setting forth the steps it has taken, to accomplish the divestiture required herein.

VIII

For the purpose of determining or securing compliance with this Final Judgment, and for no other purpose:

(A) Any duly authorized representative of the Department of Justice shall, upon written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to any defendant made to its principal office, be permitted, subject to any legally recognized privilege:

(1) Access during the office hours of such defendant to all books, ledgers, accounts, correspondence, memoranda and other records and documents in the possession or under the control of such defendant relating to any matters contained in this Final Judgment; and

(2) Subject to the reasonable convenience of such defendant and without restraint or interference from it, to interview officers, directors, agents, partners or employees of such defendant, who may have counsel present, regarding any such matters.

(B) A defendant, upon the written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, shall submit such reports in writing with respect to any of the matters contained in this Final Judgment as may from time to time be requested.

No information obtained by the means provided in this Section VIII shall be divulged by any representative of the Department of Justice to any person other than a duly authorized representative of the Executive Branch of the

United States, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this Final Judgment, or as otherwise required by law.

IX

Jurisdiction is retained by this Court for the purpose of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders and directions as may be necessary or appropriate for the construction or modification of any of the provisions thereof, for the enforcement of compliance therewith, and for the punishment of violations thereof.

X

Entry of this Final Judgment is in the public interest.

/s/ Lawrence Gubow
United States District Judge

Dated: Sept. 22, 1976