

Trade Regulation Reporter - Trade Cases (1932 - 1992), United States v. National Bank & Trust Co. of Central Pennsylvania, Lancaster County Farmers National Bank and The Reading Trust Co. and William B. Camp, Comptroller of the Currency (Intervenor)., U.S. District Court, E.D. Pennsylvania, 1970 Trade Cases ¶73,375, (Dec. 7, 1970)

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United States v. National Bank & Trust Co. of Central Pennsylvania, Lancaster County Farmers National Bank and The Reading Trust Co. and William B. Camp, Comptroller of the Currency (Intervenor).

1970 Trade Cases ¶73,375. U.S. District Court, E.D. Pennsylvania. Civil Action No. 69-2902. Entered December 7, 1970. Case No. 2077 in the Antitrust Division of the Department of Justice.

Clayton Act

Bank Merger—Divestiture—Consent Decree.—In settlement of a bank merger case involving the consolidation of three banks, a consent decree requires the resultant bank to sell nine branches and all business conducted at such offices except for trust accounts. The resultant bank must not solicit, for a period of one year following the opening of the sold branches by the buyers, any deposits or other banking or trust business from depositors who transfer their deposits to the buyers. In addition, the resultant bank must refrain for ten years from acquiring any stock or assets of or any other financial interest in any commercial bank operating offices in a three-county area, unless permission is first obtained from the Attorney General.

For the plaintiff: Richard W. McLaren, Asst. Atty. Gen., Baddia J. Rashid, William D. Kilgore, Jr., Donald G. Balthis, John W. Clark, Charles F. B. McAleer, Alan R. Malasky and Harry D. Madonna, Attys., Dept. of Justice.

For the defendants: George D. Reycraft, N. Y., N. Y.

Final Judgment

Hannum, D. J.: Plaintiff, United States of America, having filed its complaint herein on December 11, 1969, seeking to enjoin an alleged violation of [Section 7 of the Clayton Act](#) (15 U. S. C. § 18); and defendants, National Bank & Trust Company of Central Pennsylvania, Lancaster County Farmers National Bank and The Reading Trust Company, having filed their joint answer thereto; and the motion of the Comptroller of the Currency, to intervene as a defendant in this case having been granted; and the answer of said intervening defendant having been filed; and plaintiff and defendants by their respective attorneys having each consented to the making and entry of this Final Judgment herein;

Now, Therefore, before any testimony has been taken and without trial or adjudication of any issue of law or fact herein, and without any admission by any party with respect to any such issue and upon the consent of the parties hereto, the Court being advised and having considered the matter, it is hereby

Ordered, Adjudged and Decreed, as follows:

I.

[*Jurisdiction*]

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

II.

[*Definitions*]

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As used in this Final Judgment, "Consolidated Bank" means the bank resulting from the consolidation of the defendants.

III.

[*Applicability*]

The provisions of this Final Judgment shall be binding upon each defendant and upon its officers, directors, agents, servants, employees, successors and assigns, including, but not limited to, Consolidated Bank and upon all other persons in active concert or participation with any defendant who shall have received actual notice of this Final Judgment by personal service or otherwise.

IV.

[*Sale of Banking Offices*]

(A) The defendants and/or the Consolidated Bank shall sell, within six months from the date of entry of this Final Judgment, the following banking offices and all business conducted at such offices except for trust accounts:

- (1) "Western", located at 301 West Market Street, York, Pennsylvania;
- (2) "South York", located at 1041 South Queen Street, York, Pennsylvania;
- (3) "Broad Street", located at the Corner of Third and Broad Streets, Harrisburg, Pennsylvania;
- (4) "Allison East End", located at 1300 Market Street, Harrisburg, Pennsylvania;
- (5) "Camp Hill", located at Trindle and Fallowfield Roads, Hampden Township, Pennsylvania;
- (6) "North Queen", located at Queen and Chestnut Streets, Lancaster, Pennsylvania;
- (7) "Wheatland", located at 1847 Columbia Avenue, East Hempfield Township, Pennsylvania;
- (8) "Columbia", located at 4th and Locust Streets, Columbia, Pennsylvania;
- (9) "Florin", located at 801 West Main Street, Mt. Joy, Pennsylvania;

The buyers of these offices and the transfer of the offices and of the accounts and business held therein shall be in a manner first approved by the plaintiff. If the transfer is accomplished by merger, the total deposits of each of the banking offices so transferred shall be essentially as large as their deposit totals as on September 1, 1970.

(B) Prior to the transfer of these offices defendants and/or Consolidated Bank shall use their best efforts to maintain the values of each office as a going concern and shall not transfer any accounts from or attempt to induce customers to transfer their accounts from any of these offices to any other office of defendants and/or Consolidated Bank.

(C) Defendants and/or Consolidated Bank shall fully and completely cooperate with the buyers in filing all necessary applications to the appropriate governmental agencies for approval of the above sales and transfers, and shall exert their best efforts to effect the above sales transfers as rapidly as possible.

(D) Consolidated Bank and/or the defendants shall fully and completely cooperate with the buyers in suggesting that individuals, corporations, and other entities having deposits in the above offices on September 1, 1970, transfer their deposits to the buyers.

(E) Consolidated Bank and/or the defendants shall make one or more joint or several communications with the buyers to the depositors of the above offices recommending the transfer of the deposits to the buyers; such communication shall suggest that the depositors sign a card authorizing Consolidated Bank to transfer the deposits to the buyers and containing the usual provisions of a signature card of the buyers.

(F) Consolidated Bank shall not solicit, for a period of one year following the opening of the above branches by the buyers, any deposits or other banking or trust business from depositors who transfer their deposits to the buyers.

(G) Defendants and/or Consolidated Bank shall use their best efforts to persuade all persons employed at the above offices to remain at such offices as employees of the buying banks.

(H) Consolidated Bank is enjoined and restrained for a period of ten (10) years from the date of entry of this Final Judgment from acquiring any stock or assets of or any other financial interest in any commercial bank operating offices in any of the Pennsylvania counties of Lancaster, York and Dauphin, unless permission is first obtained from the Attorney General.

V.

[*Compliance and Inspection*]

(A) For the purpose of determining or securing compliance with this Final Judgment, and subject to any legally recognized privilege, duly authorized representatives of the Department of Justice shall, upon written request of the Attorney General, or of the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to any defendant at its principal office, be permitted:

(1) Access, during 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 any of its officers or employees, who may have counsel present, regarding any such matters.

(B) Defendant and/or Consolidated Bank shall submit a written report to the Department of Justice at the end of each 30 day period following the entry of this Final Judgment, describing all actions taken to effect sale and transfer of the above offices and the accounts held therein. Such reports shall continue until all such actions have been completed. Upon written request, defendants and/or Consolidated Bank shall submit such other reports in writing to the Department of Justice with respect to any matters contained in this Final Judgment as may, from time to time, be requested. No information obtained by the means provided in this Section V 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 plaintiff except in the course of proceedings to which the United States of America is a party for the purpose of securing compliance with this Final Judgment or as otherwise required by law.

VI.

[*Jurisdiction Retained*]

Jurisdiction is retained by this Court for the purpose of enabling any party 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 carrying out of this Final Judgment, the modification of any provision thereof, for the enforcement of compliance herewith, and for the punishment of violations hereof.

VII.

[*Dissolution of Stay*]

Upon the filing with this Court of written notices of approval by all appropriate regulatory agencies of branch applications by the buyers pertaining to the above offices, or of written notification by the appropriate regulatory agencies that a merger is required, the statutory stay in Public Law 89-485, § 11, 80 Stat. 240 (12 U. S. C § 1849 (b)) is dissolved and lifted.