

expected to produce public benefits that outweigh possible adverse effects.

A particular activity may be found to meet the "closely related to banking" test if it is demonstrated that banks have generally provided the proposed activity; that banks generally provide services that are operationally or functionally similar to the proposed activity so as to equip them particularly well to provide the proposed activity; or that banks generally provide services that are so integrally related to the proposed activity as to require their provision in a specialized form.

National Courier Ass'n v. Board of Governors, 516 F.2d 1229, 1237 (D.C. Cir. 1975). In addition, the Board may consider any other basis that may demonstrate that the activity has a reasonable or close relationship to banking or managing or controlling banks. Board Statement Regarding Regulation Y (49 FR 806 (1984)).

The Board has previously approved, by regulation, providing investment and financial advisory services, 12 CFR 225.25(b)(4)(i)-(iv) and (vi)(A)(1) and (2), and providing investment advice to non-affiliated persons with respect to the purchase and sale of financial futures contracts and options on such contracts, 12 CFR 225.25(b)(19). The Board also has previously determined by order that the provision of investment advisory services with respect to financial futures on bonds, interest rate, and stock and bond indices is a permissible activity pursuant to Section 4(c)(8) of the BHC Act. See SR 93-27; *National Westminster Bank plc*, 78 Federal Reserve Bulletin 953 (1992); *Manufacturers Hanover Corporation*, 76 Federal Reserve Bulletin 774 (1990); and *The HongKong and Shanghai Banking Corporation*, 76 Federal Reserve Bulletin 770 (1990). The Board also has approved the providing of investment advice through limited partnerships. See *Meridian Bancorp, Inc.*, 80 Federal Reserve Bulletin 736 (1994). Applicant maintains that Company will conduct its proposed investment advisory activities subject to the requirements and limitations of the Board's Regulation Y and the conditions and limitations of the Board's previous orders.

In order to satisfy the proper incident to banking test, section 4(c)(8) of the BHC Act requires the Board to find that the performance of the activities by Company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition,

or conflicts of interest, or unsound banking practices. Applicant believes that the proposed activities will benefit the public by promoting competition in the delivery of high quality investment management services. Applicant also believes that approval of this application would allow Company to enhance its services to existing clients and provide additional investment advisory services to new clients. Applicant believes that the proposed activities will not result in any unsound banking practices or other adverse effects.

In publishing the proposal for comment, the Board does not take a position on issues raised by the proposal. Notice of the proposal is published solely in order to seek the views of interested persons on the issues presented by the application and does not represent a determination by the Board that the proposal meets, or is likely to meet, the standards of the BHC Act.

Any comments or requests for hearing should be submitted in writing and received by William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than August 15, 1995. Any request for a hearing on this application must, as required by § 262.3(e) of the Board's Rules of Procedure (12 CFR 262.3(e)), be accompanied by a statement of the reasons why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

This application may be inspected at the offices of the Board of Governors or the Federal Reserve Bank of New York.

Board of Governors of the Federal Reserve System, July 25, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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Colfax Bancshares, Inc.; Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies; Correction

This notice corrects a notice (FR Doc. 95-16899) published on page 35748 of the issue for Tuesday, July 11, 1995.

Under the Federal Reserve Bank of Chicago heading, the entry for Colfax Bancshares, Inc., is revised to read as follows:

1. *Dentel Bancorporation*, Victor, Iowa; and *Colfax Bancshares, Inc.*, Victor, Iowa, to acquire 100 percent of the voting shares of Maxwell Bancorporation, Maxwell, Iowa, and thereby indirectly acquire Maxwell State Bank, Maxwell, Iowa.

Comments on this application must be received by August 4, 1995.

Board of Governors of the Federal Reserve System, July 25, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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Ida Grove Bancshares, Inc.; Notice of Application to Engage de novo in Permissible Nonbanking Activities

The company listed in this notice has filed an application under § 225.23(a)(1) of the Board's Regulation Y (12 CFR 225.23(a)(1)) for the Board's approval under section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) and § 225.21(a) of Regulation Y (12 CFR 225.21(a)) to commence or to engage *de novo*, either directly or through a subsidiary, in a nonbanking activity that is listed in § 225.25 of Regulation Y as closely related to banking and permissible for bank holding companies. Unless otherwise noted, such activities will be conducted throughout the United States.

The application is available for immediate inspection at the Federal Reserve Bank indicated. Once the application has been accepted for processing, it will also be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater convenience, increased competition, or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices." Any request for a hearing on this question must be accompanied by a statement of the reasons a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute, summarizing the evidence that would be presented at a hearing, and indicating how the party commenting would be aggrieved by approval of the proposal.

Comments regarding the application must be received at the Reserve Bank indicated or the offices of the Board of