

A. Federal Reserve Bank of Kansas City (John E. Yorke, Senior Vice President) 925 Grand Avenue, Kansas City, Missouri 64198:

1. *Walter W. and Pearl M. Luehrman, Trustees, Walter W. and Pearl M. Luehrman, Revocable Living Trust*, all of Higginsville, Missouri; to acquire an additional 1.95 percent, for a total of 26.34 percent, of the voting shares of Higginsville Bancshares, Inc., Higginsville, Missouri, and thereby indirectly acquire First State Bank of Higginsville/Odessa, Higginsville, Missouri.

Board of Governors of the Federal Reserve System, August 23, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95-21346 Filed 8-28-95; 8:45 am]

BILLING CODE 6210-01-F

NationsBank Corporation, et al.; Formations of; Acquisitions by; and Mergers of Bank Holding Companies

The companies listed in this notice have applied for the Board's approval under section 3 of the Bank Holding Company Act (12 U.S.C. 1842) and § 225.14 of the Board's Regulation Y (12 CFR 225.14) to become a bank holding company or to acquire a bank or bank holding company. The factors that are considered in acting on the applications are set forth in section 3(c) of the Act (12 U.S.C. 1842(c)).

Each 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 to the Reserve Bank or to the offices of the Board of Governors. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing.

Unless otherwise noted, comments regarding each of these applications must be received not later than September 22, 1995.

A. Federal Reserve Bank of Richmond (Lloyd W. Bostian, Jr., Senior Vice President) 701 East Byrd Street, Richmond, Virginia 23261:

1. *NationsBank Corporation*, Charlotte, North Carolina; to acquire 100 percent of the voting shares of Intercontinental Bank, Miami, Florida.

B. Federal Reserve Bank of St. Louis (Rodull C. Sumner, Vice President) 411 Locust Street, St. Louis, Missouri 63166:

1. *Union Planters Corporation*, Memphis, Tennessee, and CBI Acquisition Company, Inc., Cape Girardeau, Missouri to acquire 100 percent of the voting shares of Capital Bancorporation, Inc., Cape Girardeau, Missouri, and thereby indirectly acquire Capital Bank of Cape Girardeau County, Cape Girardeau, Missouri; Capital Bank of Perryville, N.A., Perryville, Missouri; Capital Bank of Sikeston, Sikeston, Missouri; Capital Bank of Southwest Missouri, Ozark, Missouri; Maryland Avenue Bancorporation, Clayton, Missouri; Capital Bank & Trust Company of Clayton, Clayton, Missouri; Century State Bancshares, Jackson, Missouri; and Capital Bank of Columbia, Columbia, Missouri. Applicant also proposed to acquire Home Federal Savings and Loan Association, Jonesboro, Arkansas, which will be merged into a Union Planters bank upon consummation.

In connection with this application, CBI Acquisition Company, Inc., Cape Girardeau, Missouri, also has applied to become a bank holding company.

C. Federal Reserve Bank of Dallas (Genie D. Short, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. *Caldwell Holding Company*, Columbia, Louisiana; to acquire 7.93 percent of the voting shares of Citizens Progressive Bank, Columbia, Louisiana.

2. *FSB Bancshares, Inc.*, Clute, Texas; to become a bank holding company by acquiring 100 percent of the voting shares of FSB Bancshares of Delaware, Inc., Wilmington, Delaware; First State Bank, Clute, Texas.

In connection with this application, FSB Bancshares of Delaware, Inc., Wilmington, Delaware, also has applied to become a bank holding company by acquiring 100 percent of the voting shares of First State Bank, Clute, Texas.

Board of Governors of the Federal Reserve System, August 23, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

[FR Doc. 95-21347 Filed 8-28-95; 8:45 am]

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Norwest Corporation; Notice to Engage in Certain Nonbanking Activities

Norwest Corporation, Minneapolis, Minnesota (Applicant), has applied pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1843(c)(8)) (BHC Act) and section 225.23 of the Board's Regulation Y (12

CFR 225.23), to acquire The Foothill Group, Inc., Los Angeles, California (Company), and thereby engage in asset based commercial lending and managing certain assets through Company as the corporate general partner in two limited partnerships (Partnerships). The proposed activities involve acquiring debt at a discount from its stated principal amount, including both secured and unsecured debt in the form of bank loans, privately placed as well as publicly-traded debt instruments, including bonds, notes and debentures, and discounted receivables. Applicant maintains that such discounted debt is acquired with the purpose of restructuring the debt to achieve a higher yield and greater collateral protection. Alternatively, the debt investments may include those of companies that may be contemplating, involved in, or recently have completed, a negotiated restructuring of their outstanding debt or a reorganization under Chapter 11 of the Federal Bankruptcy Code. Applicant indicates that asset based commercial lending involves making revolving credit and term loans, secured by accounts receivable, inventory, machinery, equipment, and other assets, to companies which are generally unable to secure financing from traditional lending sources. In connection with these activities, Applicant also seeks authority to engage in serving as an investment advisor pursuant to § 225.25(b)(4) of the Board's Regulation Y. The proposed activities will be conducted throughout the United States.

Closely Related to Banking Standard

Section 4(c)(8) of the BHC Act provides that a bank holding company may, with Board approval, engage in any activity "which the Board, after due notice and opportunity for hearing, has determined (by order or regulation) to be so closely related to banking or managing or controlling banks as to be a proper incident thereto." In determining whether a proposed activity is closely related to banking for purposes of the BHC Act, the Board considers, *inter alia*, the matters set forth in *National Courier Association v. Board of Governors of the Federal Reserve System*, 516 F.2d 1229 (D.C. Cir. 1975). These considerations are (1) whether banks generally have in fact provided the proposed services, (2) whether banks generally provide services that are operationally or functionally so similar to the proposed services as to equip them particularly well to provide the proposed services, and (3) whether banks generally provide services that are so integrally related to

the proposed services as to require their provision in a specialized form. 516 F.2d at 1237. 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 Federal Register 806 (1984).

Applicant maintains that the proposed asset based commercial lending and management of assets activities are closely related to banking. In particular, Applicant argues that the proposed activities are consistent with making and servicing loans and operating a collection agency pursuant to §§ 225.25(b)(1) and (b)(23) of the Board's Regulation Y. See 12 CFR 225.25(b)(1) and (b)(23). In addition, the Board previously has determined by regulation that investment advisory activities, when conducted within the limitations established by the Board in its regulations and in related interpretations and orders, are closely related to banking for purposes of section 4(c)(8) of the BHC Act. See 12 CFR 225.25(b)(4).

The Partnerships are engaged primarily in the making, servicing and investing in discounted bank loans and other debt securities. Applicant maintains that Partnerships acquire debt that has been or which is in the process of being restructured and which is secured by collateral that is sufficient to pay off all indebtedness in the event of foreclosure or liquidation. Applicant states that the Partnerships are exempt from registration as investment companies under the Investment Company Act of 1940 (15 U.S.C. 80a-1 *et seq.*), both partnerships have been fully subscribed, and no additional limited partners may be admitted, although additional partnerships may be formed in the future.

Applicant's proposed activities with respect to Partnerships are similar to activities previously approved by Board order, and Applicant proposes to make commitments similar to those made to the Board in previous cases. See *Meridian Bancorp, Inc.*, 80 Federal Reserve Bulletin 736 (1994). Applicant represents that the securities owned by the Partnerships, together with all other securities directly or indirectly owned or controlled by Applicant, would not include more than 5 percent of the voting shares of an issuer and not more than 25 percent of the total equity of an issuer, and such equity investment will be held in accord with section 4(c)(8) of the BHC Act and § 225.22(c)(5) of Regulation Y. Applicant has stated that the Partnerships will not knowingly

acquire debt securities that are in default at the time of acquisition if the Partnerships have the immediate right at the time of such acquisition to foreclose on and acquire collateral which the Partnerships are not authorized to hold or control or which are impermissible for bank holding companies and their affiliates. If debt in default is acquired by Partnerships, Applicant has represented that Partnerships either will dispose of any interest in the collateral which secures such debt, or will restructure the indebtedness to cure any default, within the time period provided in the BHC Act for the disposition of securities or assets acquired by foreclosure or otherwise in the ordinary course of collecting a debt previously contracted in good faith.

Applicant is not seeking authority to place limited partnership interests or other securities of any subsequently formed limited partnerships for which Company acts as a general partner.

Proper Incident to Banking Standard

In order to approve the proposal, the Board must determine that the proposed activities "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 interest, or unsound banking practices." 12 U.S.C. 1843(c)(8).

Applicant believes that the proposed activities would produce public benefits that outweigh any potential adverse effects. These public benefits include increased economies of scale and greater efficiencies for Applicant's lending operations, which Applicant believes will benefit the public by promoting competition and lowering costs. In addition, Applicant indicates that the proposed activities would not result in adverse effects such as an undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

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 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 September 20, 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.

The notice may be inspected at the offices of the Board of Governors or the Federal Reserve Bank of Minneapolis.

Board of Governors of the Federal Reserve System, August 23, 1995.

Jennifer J. Johnson,

Deputy Secretary of the Board.

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BILLING CODE 6210-01-F

SunTrust Banks, Inc. ; Acquisition of Company Engaged in Nonbanking Activities

The organization listed in this notice has applied under § 225.23(a) or (f) of the Board's Regulation Y (12 CFR 225.23(a) or (f)) 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 acquire or control voting securities or assets of a company engaged in a nonbanking activity. 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