

futures. See *Northern Trust; Bank of Montreal*.

Third, Notificants propose that Company provide execution and advisory services on over-the-counter forward contracts for the delivery of certain non-financial commodities. Notificants contend that forward contracts on non-financial commodities are operationally and functionally similar to futures contracts on non-financial commodities. Because bank holding companies may provide execution and advisory services on futures contracts based on non-financial commodities, Notificants contend that bank holding companies are well suited to provide execution and advisory services on forward contracts based on the same underlying non-financial commodities. Notificants also contend that providing brokerage and advisory services with respect to forward contracts on non-financial commodities involve the same type of financial intermediation services that banks and bank holding companies provide with respect to other types of financial instruments, including futures contracts or forward contracts on foreign exchange.

In order to approve the proposal, the Board must determine that the proposed activities to be conducted by Notificants "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." 12 U.S.C. 1843(c)(8). Notificants believe that the proposal would produce public benefits that outweigh any potential adverse effects. In particular, Notificants believe that the acquisition of ChiCorp by Notificants would permit Notificants to enhance the services provided by ChiCorp and increase competition for the proposed services. Notificants also contend that, subject to the limitations on the proposed activities agreed to by Notificants, consummation of the proposal would not produce adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices. In this regard, Notificants contend that Company would have the risk management systems necessary to monitor and control the risks associated with the proposed securities and futures-related activities.

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 August 22, 1996. 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 Chicago.

Board of Governors of the Federal Reserve System, August 2, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-20200 Filed 8-7-96; 8:45 am]

BILLING CODE 6210-01-F

### **Change in Bank Control Notices; Acquisitions of Shares of Banks or Bank Holding Companies**

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. Once the notices have been accepted for processing, they 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 indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than August 28, 1996.

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

1. *Michael Macielag*, Chestertown, Maryland; to acquire an additional 1.88 percent, for a total of 10.57 percent, of

the voting shares of Chesapeake Bancorp, Chestertown, Maryland, and thereby indirectly acquire Chesapeake Bank and Trust Company, Chestertown, Maryland.

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

1. *Leslie R. and David R. Andersen*, Omaha, Nebraska; to acquire 27.3 percent of the voting shares of Hilltop Bancshares, Inc., Bennington, Nebraska, and thereby indirectly acquire Bank of Bennington, Bennington, Nebraska.

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

1. *Ned S. Holmes and Sherry Holmes*, Houston, Texas; to acquire an additional 4.1 percent, for a total of 27.9 percent, of the voting shares of Commercial Bancshares, Inc., Houston, Texas, and thereby indirectly acquire Heritage Bank, Wharton, Texas.

Board of Governors of the Federal Reserve System, August 2, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

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### **Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities**

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y, (12 CFR Part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.25 of Regulation Y (12 CFR 225.25) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. Once the notice 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 the proposal complies with the standards of section 4 of the BHC Act, including whether consummation of the proposal can "reasonably be expected to produce benefits to the public, such as greater