

Governors. Comments must be received not later than September 5, 1996.

A. Federal Reserve Bank of Minneapolis (James M. Lyon, Vice President) 250 Marquette Avenue, Minneapolis, Minnesota 55480:

1. *Mark Thomas Olson*, Starbuck, Minnesota; to acquire an additional 27.4 percent of the voting shares of Starbuck Bancshares, Inc., Starbuck, Minnesota, and thereby indirectly acquire First National Bank of Starbuck, Starbuck, Minnesota.

B. Federal Reserve Bank of San Francisco (Kenneth R. Binning, Director, Bank Holding Company) 101 Market Street, San Francisco, California 94105):

1. *Mutual Series Fund, Inc.*, Short Hills, New Jersey; to acquire up to 24.9 percent of the voting shares of Monarch Bancorp, Laguna Niguel, California, and thereby indirectly acquire Monarch Bank, Laguna Niguel, California, and Western Bank, Los Angeles, California. Comments must be received not later than August 30, 1996.

Board of Governors of the Federal Reserve System, August 12, 1996.

Jennifer J. Johnson,

*Deputy Secretary of the Board.*

[FR Doc. 96-20905 Filed 8-15-96; 8:45 am]

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### Formations of, Acquisitions by, and Mergers of Bank Holding Companies

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR Part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are 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 standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act, including whether the acquisition of the

nonbanking 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, conflicts of interests, or unsound banking practices" (12 U.S.C. 1843). Any request for a hearing 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. Unless otherwise noted, nonbanking activities will be conducted throughout the United States.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than September 9, 1996.

A. Federal Reserve Bank of Philadelphia (Michael E. Collins, Senior Vice President) 100 North 6th Street, Philadelphia, Pennsylvania 19105:

1. *Keystone Financial, Inc.*, Harrisburg, Pennsylvania; to acquire 100 percent of the voting shares of Keystone National Bank, Lancaster, Pennsylvania.

Board of Governors of the Federal Reserve System, August 12, 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 engage in Permissible Nonbanking Activities

Barclays PLC and Barclays Bank, PLC, both of London, England (together, "Notificants"), have applied for Board approval 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(a) of the Board's Regulation Y (12 CFR 225.23(a)) to engage *de novo* through their indirect wholly-owned subsidiary, BZW Securities Inc., New York, New York ("Company"), in the following nonbanking activities:

(1) making, acquiring, servicing and arranging for the purchase and sale of loans and other extensions of credit;

(2) underwriting and dealing to a limited extent in all types of equity securities that a state member bank may not underwrite and deal in ("bank-

ineligible securities"), except ownership interests in open-end investment companies;

(3) acting as agent in the private placement of all types of securities;

(4) buying and selling all types of debt and equity securities on the order of customers as "riskless principal"; and

(5) executing and clearing, executing without clearing, clearing without executing, and providing related advisory services with respect to futures and options on futures on financial and nonfinancial commodities. Company would engage in the proposed activities on a worldwide basis.

The Board previously has determined that each of the proposed activities is closely related to banking. See, e.g., 12 CFR 225.25(b)(1); *J.P. Morgan & Co. Incorporated, et. al.*, 75 Federal Reserve Bulletin 192 (1989) (underwriting and dealing in all types of equity securities) ("*Morgan Order*"); *Bankers Trust New York Corp.*, 75 Federal Reserve Bulletin 829 (1989) (acting as private placement agent); *The Bank of New York Company, Inc.*, 82 Federal Reserve Bulletin — (Order dated June 10, 1996) (acting as riskless principal); *J.P. Morgan & Co. Incorporated*, 80 Federal Reserve Bulletin 151 (1994) (executing, clearing, and offering advisory services with respect to futures and options on futures on commodities). Except as noted below, Notificants would conduct these activities in accordance with Regulation Y and the Board's prior orders involving these activities.

In conjunction with the proposal, Notificants have sought relief from two of the conditions established by the Board in permitting nonbank subsidiaries of a bank holding company ("Section 20 subsidiaries") to underwrite and deal in bank-ineligible securities and from a commitment that the Board has relied upon in authorizing bank holding companies to engage in riskless principal activities. Specifically, notificants have asked for relief from the prohibition on personnel interlocks between a Section 20 subsidiary and any of its bank or thrift affiliates ("affiliated banks") and the restriction on cross-marketing and agency activities by affiliated banks on behalf of a Section 20 subsidiary. They also have asked to be relieved from the prohibition on bank holding companies acting as riskless principal for registered investment company securities.

In its orders authorizing bank holding companies to underwrite and deal in bank-ineligible securities ("Section 20 Orders"), the Board previously has relied upon the condition that there be no officer, director, or employee interlocks between the Section 20