

only upon proper showing that there are genuine issues of material fact that cannot be resolved on the basis of sworn statements, affidavits, depositions, or other documents or that the nature of the matter in issue is such that an oral hearing and cross-examination are necessary for the development of an adequate record. Pursuant to the further terms of 46 CFR 502.61, the initial decision of the presiding officer in this proceeding shall be issued by August 3, 2000, and the final decision of the Commission shall be issued by December 1, 2000.

**Ronald D. Murphy,**

*Assistant Secretary.*

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## FEDERAL RESERVE SYSTEM

### 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. The application also will 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 (12 U.S.C. 1843). 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 7, 1999.

**A. Federal Reserve Bank of Boston** (Richard Walker, Community Affairs Officer) 600 Atlantic Avenue, Boston, Massachusetts 02106-2204:

*1. Provident Bancorp*, Amesbury, Massachusetts; to become a bank holding company by acquiring 100 percent of the voting shares of The Provident Bank, Amesbury, Massachusetts.

**B. Federal Reserve Bank of New York** (Betsy Buttrill White, Senior Vice President) 33 Liberty Street, New York, New York 10045-0001:

*1. Popular, Inc., Popular International Bank Inc.*, both of Hato Rey, Puerto Rico., and Popular North America, Inc., Mount Laurel, Pennsylvania; to acquire 100 percent of the voting shares of Aurora National Bank, Aurora, Illinois.

Board of Governors of the Federal Reserve System, August 6, 1999.

**Robert deV. Frierson,**

*Associate Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

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

Bank of Nova Scotia, Toronto, Canada (Notificant) has 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 225.24 of the Board's Regulation Y (12 C.F.R. 225.24), to engage as principal in forward contracts, swap transactions, and similar derivative contracts based on the equity and debt securities of a single issuer through its wholly-owned subsidiary, Scotiabanc Inc., Atlanta, Georgia. This activity will be conducted worldwide.

The Board has previously authorized bank holding companies under section 4(c)(8) of the BHC Act to underwrite and deal, to a limited extent, in all types of debt and equity securities, except interests in open-end investment companies ("bank-ineligible securities") (see *Canadian Imperial Bank of Commerce, et al.*, 76 Fed. Res. Bull. 158 (1990); *J.P. Morgan & Co. Incorporated.*, 75 Fed. Res. Bull. 192 (1989)). The Board has determined that such activities are consistent with section 20 of the Glass-Steagall Act (12 U.S.C. 377) provided that the company engaged in underwriting and dealing in bank-ineligible securities does not derive more than 25 percent of its revenues from such activities. Section 4(c)(8) of the BHC Act also provides that a bank holding company may, with Board approval, engage in any activity that 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. A particular activity may be found to meet the "closely related to banking" test if it is demonstrated that banks generally have 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 *Federal Register* 794, 806 (1984).

In order to approve the proposal, the Board must determine that the proposed activities to be conducted by Notificant "can reasonably be expected to produce benefits to the public, such as grater 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). Notificant believes that the proposal would produce public benefits that outweigh any potential 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 to seek the views of interested persons on the issues presented by the notice 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 Jennifer J. Johnson, Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, not later than September 7, 1999. Any request for a hearing on this application must, as required by section 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