

Michigan National checks alternatives to branch banking

By TIM RICHARD

"We don't know." That was all Philip M. Essig, a vice president of Michigan National Corp., could say in the wake of a federal court decision that Michigan National Banks had engaged in illegal branch banking.

"We have 90 days to look for a viable alternative that is acceptable to the attorney general. All the resources of the corporation are at work on it," Essig said.

Federal Judge Ralph Guy last week ruled Michigan National Banks were violating the law by providing "accommodation transaction services" between banks.

SOME 20,000 times a day, a customer of one of the 15 Michigan National Banks transacts business at another MNB.

He may live in Livonia, where his account is with MNB—West Metro,

and cash his paycheck and make a deposit at MNB—North Metro, which happens to be in Troy.

Actually, he is dealing with two different banks owned by a holding corporation that is headquartered in Bloomfield Hills.

Such is the nature of metropolitan life that a person often lives in one town, works in a second, sends his offspring to a college in a third, goes to church in a fourth, shops in a fifth . . . and so on.

State law, however, prohibits a bank from establishing a branch more than 25 miles from its headquarters. The effect is to require very localized banking in a sprawling metropolis.

THIS KIND of "accommodation transaction service" will have to be stopped by April 12.

How the corporation will change its procedure is uncertain. Essig wouldn't discuss what options a task force is exploring.

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"All the resources of the corporation are at work on it," he repeated.

State Attorney General Frank J. Kelley blew the whistle on "accommodation transactions." In May of 1977 he filed suit in federal district court to stop the practice. Kelley had to use the federal court, because, although he was alleging a violation of state law, the defendant banks are chartered under federal law.

Hailing Judge Guy's ruling against the banks, Kelley said banks which offer accommodation transaction services would have "a clear competitive advantage over other banks in Michigan . . ."

"This decision requires that the law be obeyed and maintains competitive equality in banking in Michigan. Every citizen benefits from competition in the banking community . . ."

THERE ARE 15 Michigan National Banks.

Seven are in the metropolitan Detroit region: MNB of Detroit, —West Metro (Livonia), —North Metro (Troy), Oakland (Southfield), —Dearborn, —Macomb (Warren) and —West Oakland. Another is being organized for Farmington Hills.

Outstate there is just plain Michigan National Bank in the central part of the state, MNB—Mid-Michigan (Flint), —West (Kalamazoo and Calhoun counties), —Valley (Saginaw and Bay City), —Grand Traverse, —Wyoming (the Michigan city, not the state) and Mioiana (four south-western counties).

As of Dec. 31, the consolidated balance sheet showed assets of nearly \$4.4 billion, deposits and debt liabilities of \$4 billion and 1977 earnings of \$3.1 million or \$5.02 a share.



Once upon a springtime...

little girls fell in love with flowers and rainbows, softness and frills. And ever since then, they've been the prints and colors, the textures and trimmings for spring-dressing. Clockwise from upper left:

A. Girltown's daffodil yellow, ribbon-tied blouse and flowery skirt. Both polyester and cotton for sizes 4 to 6x, \$10 each. For sizes 7 to 14, the blouse, \$12 and the skirt, \$15.

B. We're first with vested-dressing for girls...naturally: the finest lace vest over a sweetly pink-floral dress for sizes 4 to 6x, \$26. Pinks and mints on a flounced dress and toss-on vest. Sizes 7 to 14; \$30. Both, cotton and polyester by Beaux Age.

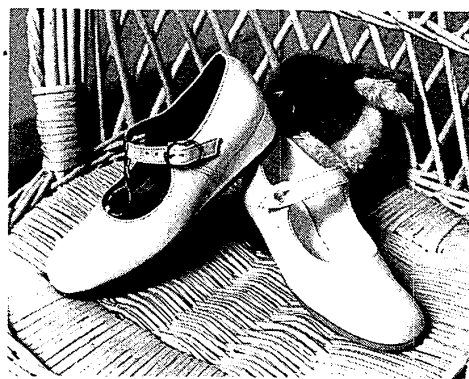
C. White patent Mary Janes for spring: a golden twisted T, a small wedge-y heel. By Weber for 12½ to 3, \$21; 5 to 9, \$23. Our exclusive 'Alice in Wonderland'™ button-strapped version for 4½ to 6, \$16; 6½ to 8, \$17; 8½ to 12, \$19; and 12½ to 3, \$22.

D. Givenchy in miniature: his canvas and vinyl-trimmed shoulder bag in navy, red or powdery blue; \$7.

E. Florence Eiseman's flurries of pink and royal blossoms; polyester and cotton for sizes 7 to 12, \$35; 4 to 6x, \$37.

F. Center: the classic suit for young sophisticates—blazer and sashed dirndl in pink or blue, \$34; the rosebudded peasantry blouse, pink, blue and white print, \$12. Both, polyester and cotton for sizes 7 to 14. Girls' Collections.

Fluff up that cottontail, Peter Rabbit, because we're having a party! Saturday, March 11th, is our super-deluxe Children's Easter Show in the Somerset Mall. Talk about fun...we'll have plenty. With games of all kinds, maybe even a surprise or three. So make sure you're there...11 AM...it's bound to be a hopping good time!



Saks Fifth Avenue

Troy, Somerset Mall, Big Beaver at Coolidge, open Mondays, Thursdays and Fridays until 9 PM.