

Comerica: Region needs 'whale' of a bank

By Tim Richard
staff writer

In an era of bank consolidations, Comerica intends to be a survivor — with corporate headquarters still in southeastern Michigan.

And a first step in surviving is for Michigan's second-largest bank to arrange a friendly merger with No. 3-ranked Michigan National Corp., says

Comerica Chairman Donald R. Mandich.

"It's harder to swallow a whale than a minnow," Mandich said at the close of his financial services holding company's annual stockholders meeting Tuesday in Detroit.

BY "WHALE," he meant a merger of:

- Comerica, with assets of \$9 bil-

lion, in 17 affiliated banks with more than 200 offices, many in area suburbs; and

- Michigan National Corp. (MNC), with assets of \$6.7 billion in a network of 23 banks, headquartered in Bloomfield Hills.

MNC's directors have rejected Comerica's first offer and said they weren't interested in merger talks. There are federal court suits and counter-suits, with Comerica alleging Michigan National's officers are out to "entrench" themselves and betraying their fiduciary trust to MNC's stockholders.

MNC's stockholders' meeting is scheduled for today.

"It would be in the best interest of the region," Mandich told Comerica stockholders, "to have a Michigan-based institution of the critical mass and financial strength necessary to compete effectively in the forthcoming era of interstate banking."

MNC stockholders, by swapping each of their shares for 0.72 Comerica

shares, would be getting a stock worth \$26.50 — some 40 or 50 percent more than the old market price of \$17.50 to \$18, Mandich said. He promised advantages for employees and bank customers as well as shareholders and the region, too.

If MNC directors refuse a friendly discussion, Mandich said, Comerica will attempt a takeover by "tender" offer — buying up MNC shares in the market.

MANDICH SAW a good omen, however, in the fact that Comerica finds it necessary to schedule a second stockholders meeting — in late May or early June — on a board proposal to increase authorized common stock from 20 million to 40 million shares. The proposal was to have been voted on Tuesday.

The Comerica chairman said the board needed the additional time to prepare "more information." He explained that the first proxy statement contained enough information if there

was to be a "possible" merger with MNC, but MNC's lawyers objected to the proxy statement.

"More information" is needed if there is a "probable" merger, Mandich said, adding, "That raises it to a 'probable' transaction."

Comerica currently has 10.3 million shares outstanding of its 20 million authorized shares. The board asked for authority to issue up to 40 million shares 1) to facilitate an acquisition and 2) to impede a takeover by another company.

SIGNIFICANTLY, MNC's board today will ask stockholders to approve a similar resolution to increase its number of common shares from 18 million to 20 million — mainly for the defen-

sive purpose of impeding Comerica's takeover. MNC has 12 million shares outstanding.

Mandich said that because financial information for MNC for the full year 1984 only recently had become publicly available, Comerica was unable to provide its shareholders sufficient details prior to the annual meeting.

Before the rescheduled vote, Mandich said, shareholders will receive additional information concerning the proposal as well as a proxy.

With the stock authorization question off the agenda, Comerica stockholders had little to do but re-elect a slate of directors. They received 7.1 million of the 7.3 million shares voted at the meeting.

Manufacturers hikes stock shares

Shareholders of Manufacturers National Corp. voted to increase the number of authorized shares and elected two new directors at the bank holding company's annual meeting.

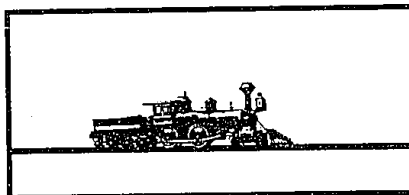
They approved an increase in the authorized common stock from eight million to 25 million shares, and an increase in its authorized preferred stock from 250,000 to 2.5 million shares.

Michael T. Monahan and Richard D. Rohr were elected to the board of directors. Monahan is a director and

vice-chairman of the board of Manufacturers National Bank of Detroit, and Rohr is a partner with the law firm of Bodman, Longley & Dahling.

Manufacturers National Corp., a bank holding company based in Detroit, reported assets of \$6.2 billion as of March 31. Its leading bank subsidiary is Manufacturers National Bank of Detroit. Additional subsidiary banks are in Bay City, Coopersville, Lansing, Livonia, Novi, St. Clair Shores, Saline and Southfield.

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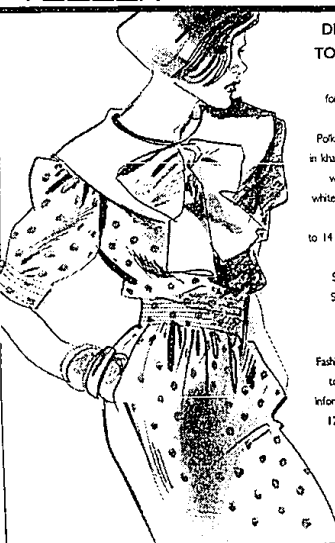
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