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**Comptroller of the Currency  
Administrator of National Banks**

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Southwestern District Office  
Analysis Division  
1600 Lincoln Plaza  
500 North Akard  
Dallas, Texas 75201-3394

**Corporate Decision #96-64  
December 1996**

**DECISION OF THE OFFICE OF THE COMPTROLLER OF THE CURRENCY ON THE  
APPLICATION BY THE STONE FORT NATIONAL BANK OF NACOGDOCHES,  
NACOGDOCHES, TEXAS TO ACQUIRE SECURITY NATIONAL BANK,  
NACOGDOCHES, TEXAS**

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**DECISION**

**Introduction**

On September 11, 1996, application was made to the Office of the Comptroller of the Currency (OCC) by The Stone Fort National Bank of Nacogdoches, Nacogdoches, Texas for prior authorization to acquire Security National Bank, Nacogdoches, Texas. This application was based on an agreement entered into between the proponents on June 28, 1996.

**Participating Financial Institutions**

As of June 30, 1996, The Stone Fort National Bank had total deposits of \$116 million and operated one office. On the same date, Security National Bank had total deposits of \$33 million and operated one office. The Stone Fort National Bank is 100% owned by First Commercial Corporation, a multi-bank holding company located in Little Rock, Arkansas.

**Competitive Analysis**

The relevant geographic market for this proposal is Nacogdoches County and the southern one-third of Rusk County. This is the area where competition between The Stone Fort National Bank and Security National Bank is direct and immediate. Within this market, ten commercial banks compete for approximately \$550 million in deposits. The Stone Fort National Bank is the third largest depository institution in the market with approximately seventeen percent of total deposits. Security National Bank ranks fifth with approximately six percent of the deposits. Consummation of this

proposal would result in The Stone Fort National Bank becoming the second largest depository institution in the market with approximately twenty-three percent of the market's deposits. While the proposed transaction would eliminate some direct competition in the relevant geographic market, any significant adverse competitive effects would be mitigated by the presence of a number of other banking alternatives.

**Banking Factors**

The Bank Merger Act requires the OCC to consider ". . . the financial and managerial resources and future prospects of the existing and proposed institutions, and the convenience and needs of the community to be served." We find that the financial and managerial resources of The Stone Fort National Bank and Security National Bank do not raise concerns that would cause the application to be disapproved. The future prospects of the proponents, individually and combined, are considered favorable and the resulting bank is expected to meet the convenience and needs of the community to be served.

**Community Reinvestment Act**

A review of the record of this application and other information available to the OCC as a result of its regulatory responsibilities has revealed no evidence that the applicants' records of helping to meet the credit needs of their communities, including low- and moderate-income neighborhoods, is less than satisfactory.

**Conclusion**

We have analyzed this proposal pursuant to the Bank Merger Act (12 U.S.C. 1828(c)) and find that it will not lessen significantly competition in any relevant market. Other factors considered in evaluating this proposal are satisfactory. Accordingly, the application is approved.

          /s/  
Michael K. Hughes  
Licensing Manager  
Southwestern District

November 7, 1996  
Date

**ACN# 96SW020045**