

**Federal Reserve Bank of Chicago  
Public Meeting Regarding the  
Proposal by Banc One Corporation to merge with First Chicago NBD Corporation  
August 13, 1998; Federal Reserve Bank of Chicago**

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Statement of  
**Mark Barbash, Executive Director**  
Columbus Countywide Development Corporation  
941 Chatham Lane, Suite 300; Columbus, Ohio 43221-2416  
Phone: (614) 645-8066

My name is Mark Barbash. I am Executive Director of Columbus Countywide Development Corporation. CCDC was established in 1981, and is a private, non-profit Certified Development Corporation which provides small business financing under programs sponsored by area lenders, the U.S. Small Business Administration, the Ohio Department of Development, and the city of Columbus. We are also an approved Community Development Financial Institution under the U.S. Treasury's CDFI program.

The purpose of my appearance is to provide our view of the performance of Bank One in community development activities in Central Ohio, as part of the Federal Reserve Bank's review of the proposal by Banc One Corporation to merge with First Chicago NBD Corporation.

The focus of CCDC is on creating jobs. We do this by working to fill the capital access gap for small businesses. We provide financing which takes greater risk than conventional bank financing and which may involve substantial technical assistance to entrepreneurs.

While there are many government programs that can help, of necessity, the private sector has both the obligation and the resources to make these efforts effective. As such, the financial institutions in Columbus have been critical to our efforts.

Let me give you four specific examples of Bank One's involvement in local economic and community development:

- 1) **Small Business Financing through the SBA 504 Program:** The SBA 504 program provides second mortgage financing for growing small businesses. It works in partnership with area lenders who provide 50% of the financing. Since 1981, Bank One has financed 117 projects through CCDC's SBA 504 program, with total investment exceeding \$60 Million and the Bank's investment exceeding \$35 Million. Most importantly, these projects have created jobs for 1,378 citizens of Central Ohio. Bank One's investment is the largest of any of our lenders, and comprises 13.8% of CCDC's total financing in this program. For the past three years running, Bank One has

been named our "Bank of the Year" – signifying that they have led all of the other banks in their participation in the program.

- 2) **Microenterprise Financing:** In 1993, we established the Central Ohio MicroLoan program. This program provides financing to new or existing "micro" businesses in four counties of Central Ohio. While the program was funded by the U.S. Small Business Administration, it was made possible through the contributions of area lenders who contributed funds to establish a Loan Loss Reserve Fund. The total LLR is \$100,000, with Bank One's contributions totaling almost \$14,000. More importantly, this program has funded more 150 small businesses, lending \$972,000, with 30% going to minority owned businesses; 49% going to women owned businesses and 40% going to low income business owners.
- 3) **Microenterprise Training:** I serve on the Board of Directors of the Ohio Foundation for Entrepreneurial Education. OFEE was founded in 1997 to establish a quality entrepreneurial training program. OFEE established the FastTrac program in Columbus, and in eighteen short months has provided critical training to more than 150 entrepreneurs. Bank one was a founding member of OFEE. To date, Bank One has provided \$65,000 in operational funding and \$15,000 in scholarships funding. To date, 25% of the participants in FastTrac have been minority and women owned businesses.
- 4) In 1997, CCDC established the Columbus Growth Fund, a mezzanine fund targeted towards businesses in Columbus' center city, targeting both minority and women owned businesses. This fund was established through the participation of five area lenders, including Bank One. Bank One's specific involvement totals \$545,000: \$45,000 in equity and \$500,000 in participation with a line of credit which will be reloaned to eligible businesses.

The Bank's involvement has gone beyond financial investment. Bank One professional staff – including both "line" loan officers and senior managers – donate time to our activities. Just a few examples:

- A Bank One representative has served continuously on the Board of Directors and Loan Review Committee for my organization since its founding back in 1981. Committee members contribute hundreds of hours in providing advice both to CCDC and to our borrowers.
- A number of Bank One representatives have served on a committee that reviews applications under our microloan program. This can entail evaluating anywhere from 10 to 150 pages of information, interviewing

the business, and providing technical assistance to the small business entrepreneur in the process.

- Bank One and the other lenders have been among the key referral sources for applicants under our programs. This is a critical component of our network, as our primary goal is to enable the businesses we assist to become bankable through the conventional lending market, rather than relying on the subsidized market for their growth capital.

In closing, let me stress several points:

First, CCDC is not the only game in town. Columbus has developed some strong partnerships among the public and private sectors. Bank One has been a key player in these partnerships, along with the City of Columbus, the Ohio State University, business leaders, and other financial institutions. Supporting these activities are thousands of hours of time which I have seen being donated by Bank One professionals in other programs in Columbus.

Second, I have selected these examples because they can be quantified...dollars invested...jobs created...entrepreneurs helped. A measure of the importance of the private lending community in our economy has been statistics on business-starts which show Columbus leading the state in new business start-ups for the past several years.

Third, some concern has been raised about the impact on Bank One's local economic development activities by the merger, and particularly by the moving of its headquarters from Columbus to Chicago. From my perspective, and based upon my own experience, I believe that these concerns may be unfounded. Like politics, all economic development is local. Creating partnerships that work is a dynamic and difficult process, and requires efforts by all of the players. In merger situations like this---and certainly we are facing them every day -- there is an equal obligation for those of us in the economic development system to raise the visibility of community needs to the decision-makers in the financial institutions.

Fourth, a criticism has been raised that many of these activities by most banks are self-serving...that they all inexorably lead to opportunities for the banks to make money by making loans. Frankly, in the case of entrepreneurial development, this is the way it should be. Successful small businesses cannot rely on public sector financing for their capital needs forever. We work to help our customers become bankable...to become customers of the conventional banking market where the vast majority of their financing needs should be met. But not all of our customers become truly bankable. I have never seen a reluctance to continue supporting our activities.

Fifth, I have been personally involved in all of these activities. I feel that they accurately reflect the Bank's performance in working to expand access to capital for minority and women owned businesses and to encourage entrepreneurial development among low-income citizens of Central Ohio.

# Ohio Mezzanine Fund, Ltd.

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Crown Centre  
5005 Rockside Rd., Suite 600  
Cleveland, Ohio 44131

Tel: 216/573-3738  
Fax: 216/573-3748

August 11, 1998

To: Federal Reserve Board  
From: John D. Roberts, President  
Mezzanine Capital Management, Inc.  
Administrator, Ohio Mezzanine Fund, Ltd.

Re: Written summary of testimony to be given at public meeting on August 13, 1998

The Ohio Mezzanine Fund, Ltd. is a multi-bank Community Development Corporation organized and funded in February of 1996. The Fund was organized and is owned by eight Ohio banks who invested nearly \$10 million for the purpose of providing creative and flexible financing for small and mid-sized businesses that otherwise would not be available. The financing is provided in the form of mezzanine debt or subordinated debt in amounts from \$100,000 up to \$750,000 to small and midsize businesses who are young and growing rapidly but which are not yet fully "bankable". While equity and mezzanine debt sources are plentiful for large companies that need \$1 million or more, there are very few organized sources for this type of risk capital under \$1 million. This is the niche on which the Ohio Mezzanine Fund focuses.

The Ohio Mezzanine Fund is unique in that the Fund is actively managed by its investor banks at the Board of Managers and Investment Committee levels. In addition, the Fund relies on referrals for investment opportunities from the investor banks and each investment that the Fund makes in a small or mid-sized business must be matched at least dollar for dollar by a new senior loan from one of the investor banks. This allows the Fund and each of its investor banks to form a unique partnership to provide complete financing packages for small and mid-sized businesses which otherwise would not be available.

*Professionally Managed by Mezzanine Capital Management, Inc.*

Memo to Federal Reserve Board

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To date, in a little over two years, the Ohio Mezzanine Fund has invested over \$5.5 million in eleven Ohio businesses. This investment has leveraged over \$15 million of senior bank financing from the Fund's investor banks which would not have been available to these eleven businesses without the participation of the Ohio Mezzanine Fund, Ltd. This financing has made possible the expansion of these businesses which has led to job growth and other economic benefits to the Ohio communities where they are located. Also in its first two years, the Fund has enjoyed several success stories in the form of three businesses that have improved their operating and financial track records to the point that their bank has increased its financing with the business to allow them to prepay the Ohio Mezzanine Fund and become fully bank financed at a lower cost.

This partnership between banks in the multi-bank Community Development Corporation format is important in delivering creative, higher risk capital that otherwise would not be available to small and mid-sized businesses in Ohio. From the Fund's beginning, Bank One has been an active and supportive partner and has taken a leadership role in the formation and operation of the Fund. Bank One was the first bank to verbally commit to providing capital to the Fund and subsequently invested a total of \$1,750,000 in the form of \$250,000 of equity and \$1,500,000 in a line of credit to the Fund. In addition, Bank One hosted several organizational meetings in which other banks in Ohio were invited to attend and consider investing in the Fund. Bank One personnel also talked with other bank decision makers to influence their involvement in the Fund.

Once the Fund was organized, Bank One again assumed a leadership role by providing senior level management to serve on the Board of Managers and the Investment Committee. For example the initial representatives to the Board of Managers and the Investment Committee from Bank One were an Executive Vice President and Senior Vice President respectively. Their management and credit experience has been instrumental in the Fund's success to date.

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Memo to Federal Reserve Board

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Bank One has also played an important role in sponsoring investment opportunities to the Ohio Mezzanine Fund. Bank One lenders have referred many deals over the Fund's two year period and Bank One has provided senior financing along with subordinated financing from the Fund in two deals totaling over \$5.8 million.

In April of this year the Fund's Board of Managers determined that the Fund was working very well and should expand its territory to include the Columbus, Ohio market where the Fund's financing was also needed. Bank One assumed a leadership role in assisting the Fund's personnel in making contacts within the financial and small business community in the Columbus area. Bank One also facilitated communication within its bank with its lenders and the Fund's personnel and released a press release introducing and advocating the Fund to the Columbus area.

In summary, the Ohio Mezzanine Fund, Ltd. and its \$10 million risk capital pool available to small and mid-sized businesses in Ohio would not exist today had it not been for the support and leadership from Bank One.

**Statement of**  
**N. WHITNEY JOHNS**  
**CHIEF EXECUTIVE OFFICER, CAPITAL ACROSS AMERICA, INC.**  
**before the**  
**FEDERAL RESERVE BANK OF CHICAGO**  
**Public Hearing for the Banc One and First Chicago merger**  
**August 13, 1998**

Let me begin by thanking the Federal Reserve Bank for allowing me this opportunity to testify about Banc One's involvement with Capital Across America and the major impact Banc One is having in the women business owner community. I am positioned to discuss these matters since I am the co-founder and CEO of Capital Across America, a leader within the national women business owner community and a policy advocate for the issue of access to credit and capital for women.

I serve as the national President Elect of the National Association of Women Business Owners (NAWBO), a 70 plus chapter-based organization with worldwide affiliations. I am also a member of the Board of Directors for the National Foundation for Women Business Owners (NFWBO), the premier global research organization for women business ownership issues. In the advocacy arena, I was a President Clinton appointee to the most recent White House Conference on Small Business; I received the 1998 Women in Business Advocate Award for the Southeast region awarded by the Small Business Administration; and I testified last year before U.S. Senators on the topic of access to capital for women. Through the Foundation's research, my advocacy work and my first hand experiences I am aware of the financial needs of women-owned businesses. This knowledge was the impetus for the creation of Capital Across America.



Capital Across America is a licensed Small Business Investment Company (SBIC) administered and regulated by the SBA. It was the first debenture SBIC in the forty-year history of the program to focus on women-owned companies. We offer a debt instrument in the range of \$250,000 to \$1,500,000 to fund growth. We have nearly \$7 million in private capital and over \$25 million in total money available to invest. Banc One, through its Community Development Corporation ("CDC"), made the largest single investment in Capital Across America in the amount of \$3 million. To my knowledge, their investment is the largest investment in any SBIC (now licensed or in process) created to provide capital to women business owners. This is a strong statement about their commitment to the women business owner community.

Banc One has provided more than money to reach this under-served market and in my opinion, Banc One is a role model across the country for other banks. Banc One is not only saying that they serve women, they are doing it. They have put talented people in place and given them the go-ahead and resources to make change.

They have a division within the bank that focuses on women business owners and educating the front-line bankers about this market. Vanessa Freytag, Director for Women Entrepreneur Initiatives, is recognized as one of the strong voices for change within the bank itself and has taken a leadership role in advocacy outside the bank. It was through Vanessa that the bank became aware of Capital Across America. (Having just raised the funds for our company I can personally attest to the importance to having someone within the bank that understands the issues.)

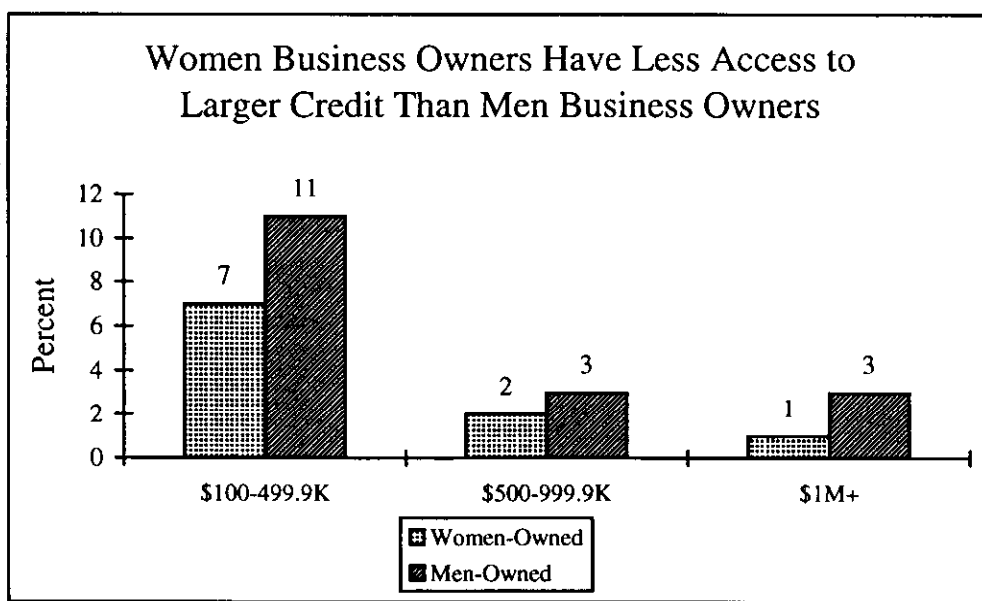
Banc One has a very strong Community Development Corporation and it was through the CDC that they made the investment in Capital Across America. Lynn Gellermann, Chair of the bank's Small Business Investment Committee, spearheaded the CDC's investment in our fund and now serves on our Board of Directors. We are grateful to have Lynn; he is a valuable resource and becoming a known advocate for access to capital for small business.

With Banc One' people and commitment to Capital Across America, we can continue our good work in the areas now served by First Chicago. As CEO, it is my desire to add more geographic markets to our marketing plan. Our SBIC license allows us to expand into areas where we have investor partners. The merger with First Chicago opens up new markets for us and we are excited about the possibility to serve such cities as Chicago, Detroit, and Indianapolis - cities teaming with women-owned companies.

Let me address why it is important to reach more women and why it is important to offer a financial product that provides growth capital in the range of \$250,000 to \$1,500,000.

SBA estimates that over one-third of all U.S. businesses are women-owned.<sup>1</sup> Data from the U.S. Bureau of the Census indicate that women-owned businesses numbered nearly 8 million in 1996, generated almost \$2.3 trillion in sales, and employed 18.5 million people, *i.e.*, 1 in every 4 American workers<sup>2</sup> or 35% more American workers than Fortune 500 companies employed worldwide.<sup>3</sup> Furthermore, women-owned businesses are growing in number faster than overall U.S. businesses—by nearly two to one.<sup>4</sup> By the year 2000, SBA estimates that women-owned businesses will represent half of all businesses in the United States,<sup>5</sup> which is a substantial increase from the current level of one-third. Thus, the impact of women-owned businesses on the economy is expected to continue to grow significantly.

With such a large, diverse group of women-owned companies, one would expect investors to be aggressively offering to fund them. Yet, the National Women’s Business Council reported that “the foremost barrier women perceived was that of access to capital.”<sup>6</sup>



**Source:** See NFWBO, CAPITAL, CREDIT AND FINANCING: COMPARING WOMEN AND MEN BUSINESS OWNERS’ SOURCES AND USES OF CAPITAL 15 (1996).

<sup>1</sup> House Subcommittee on Small Business, *Small Business Facts*, Web site (updated July 31, 1996) [hereinafter cited as *Small Business Facts*].

<sup>2</sup> NFWBO, KEY FACTS: U.S. WOMEN-OWNED BUSINESSES (undated) [hereinafter cited as KEY FACTS].

<sup>3</sup> INTERAGENCY COMM. ON WOMEN’S BUS. INITIATIVES, EXPANDING BUSINESS OPPORTUNITIES FOR WOMEN 2 (1996), citing WOMEN-OWNED BUSINESSES: BREAKING THE BOUNDARIES (1995).

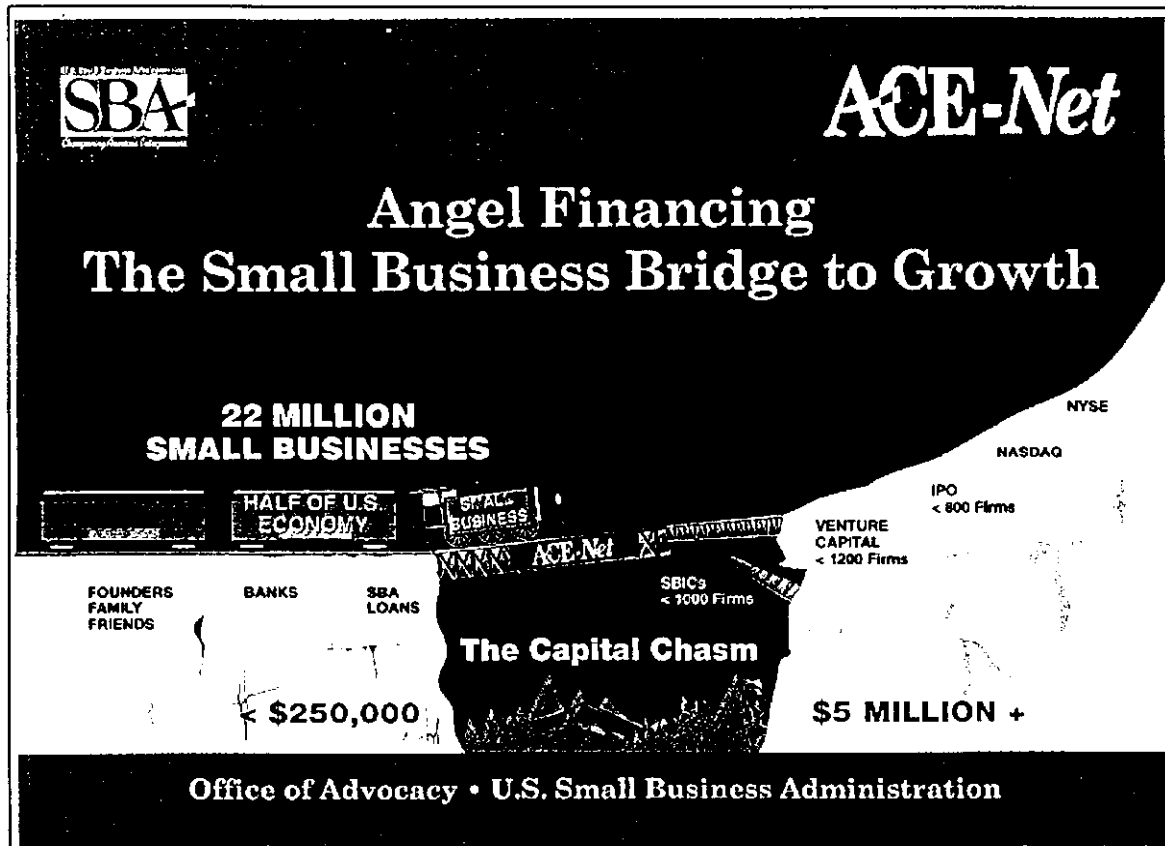
<sup>4</sup> KEY FACTS.

<sup>5</sup> *Small Business Facts*.

<sup>6</sup> NATIONAL WOMEN’S BUS. COUNCIL, 1992 ANNUAL REPORT TO THE PRESIDENT AND CONGRESS, EXECUTIVE SUMMARY 1 (1992).

The above graph highlights the disparity of access to *credit* between women-owned and men-owned firms relative to the level of credit available to them. These statistics provide a compelling case for the need to establish financial vehicles targeted to women-owned businesses in a financial range they need. Capital Across America is doing just that.

On the issue of access to *capital*, institutional venture capital funds have not been responsive to women. In 1995, their average investment was \$6,800,000,<sup>7</sup> far more than the need of the typical women business owner.



SBA's own statistics indicate the existence of what is termed "The Capital Chasm," *i.e.*, the financial range between \$250,000 and \$5,000,000. This is the critical range for women business owners. Women business owners desperately need financing in the \$250,000 to \$1,500,000 range. This is what I term "the women-friendly financial range."

The SBIC Program has been more responsive to small businesses by offering lower dollar investments. The problem with the SBIC program in the past is that less

<sup>7</sup> OFFICE OF ADVOCACY, U.S. SMALL BUSINESS ADMINISTRATION, THE PROCESS AND ANALYSIS BEHIND ACE-NET 4 (1996) [hereinafter cited as ACE-NET PROCESS AND ANALYSIS].

than 1% of the money has gone to women-owned firms. This statistic has given rise to SBICs such as Capital Across America that targets women entrepreneurs.

Capital Across America is already making a difference. We have made investments in the \$400,000 to \$500,000 ranges to companies founded, owned, and controlled by women. We are poised to deploy over \$25 million in phase one with the intent to raise more capital in phase two as we expand our geographic market area.

### **Summary**

On behalf of Capital Across America and as an advocate for access to capital for women, I fully support the pending merger. Women-owned businesses are a major component of the American economy, and their impact on the economy is increasing every year. But women need access to growth capital that is not readily available to them through traditional bank products. Banc One has recognized and addressed this need with money, talent, and resources. Now, together we can expand our area of impact with the pending merger. It is in the best interest of all parties and overall continued economic growth to have Banc One and Capital Across America investing money in this dynamic area of the country.

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**Community Investment Corporation**

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222 South Riverside Plaza, Suite 2200 Chicago, IL 60606 312/258-0070 Fax: 312/258-8888  
(on Canal between Jackson and Adams)

July 29, 1998

Mr. Philip Jackson  
Director of Applications  
Federal Reserve Bank of Chicago  
230 South LaSalle Street  
Chicago, Illinois 60604-1413

Dear Mr. Jackson:

Community Investment Corporation is a not-for-profit mortgage banking firm with a \$500 million revolving loan program funded by 53 Chicago area banks and S & L's plus Fannie Mae, People Gas and the United Methodist Pension Fund. Attached are some press articles amplifying on our past achievements and new initiatives announced at the July 7<sup>th</sup> reception hosted at the Federal Reserve Bank of Chicago.

I am writing in support of the proposal merger of First Chicago/NBD and Bank One. I support this for the following reasons:

- In today's world of bank mergers, the proposed merger is very important in strengthening the midwest region and in assuring that the banking and lending needs of midwesterners will be met over the long term.
- First Chicago has been the key neighborhood lending banking player in the Chicago metro area, not only in its positive direct lending but also in its leadership in fostering the growth and development of Chicago area groups.
- In earlier mergers, First National with American National, Gary-Wheaton, NBD & others, the end result has been continuing and increased neighborhood commitment and leadership, not only in Chicago, but also in suburban areas and industrial towns.
- First Chicago/NBD's leadership and support has been key in CIC's evolution and growth, including our new Flex Fund which permits CIC to reach out to stimulate sound rehab loans that go beyond standard bank terms, such as appraised value constraints in appraisal gap areas.

## Community Investment Corporation

- In December of 1998, First Chicago extended their \$129 million pledge to CIC's revolving loan pool through 2010 with \$25.8 million of this to Flex Fund loans.
- In addition, First Chicago is the lead lender on our \$30 million construction period line of credit (with 4 other banks.)
- In 1998 First Chicago provided an innovative \$3.6 million fronting letter of credit with CIC to St. Edmunds for a tax exempt bond deal (6 buildings).
- Senior and specialized staff have in numerous ways given direction and vision to CIC's evolution , including CIC's loan committee and board of directors. SVP John Timmer is currently Vice Chairman of CIC's board and Chairman of our Performance and Credit Review Committee.
- In November, 1997 First Chicago hosted the meeting for CIC's 53 investors to move forward the successful campaign to extend our \$520 million loan pool to 2010 with 20% for the Flex Fund. Their early pledge extension helped lead in getting other banks to renew.

Bank One plays a lesser role in Chicago but they have extended the \$1 million commitment to CIC of a bank they purchased. We requested no additional funds, only the extension they provided. They subsequently provided staff support to CIC's loan committee.

The prime neighborhood lending issues in Chicago relate to getting bank money out to neighborhoods and also to building up the capacity of neighborhood based developers. Based on the past records of these banks prior to and after mergers, I am confident that the merged bank will continue to play the leadership role.

Therefore I support approval of the merger.

Sincerely,



John Pritscher  
President

sak-JP728

cc: John Timmer, First Chicago  
Ed Jacob, First Chicago  
David Price, Bank One

Attachment



## Paul A. Stradtman Construction Co., Inc.

21819 Royalton Road P.O. Box 360260 Strongsville, Ohio 44136

(440) 238-2592

FAX (440) 238-2539

August 4, 1998

VIA FAX 614-248-9552  
AND FEDERAL EXPRESS

Mr. Joseph A. Giampapa, Esq.  
OH 1-0158  
Banc One Corporation  
100 East Broad Street  
Columbus, Ohio 43271-0158

Dear Mr. Giampapa:

I have received your letter in response to my correspondence to Julia Johnson dated July 22, 1998. We appreciate your review of the issues raised by my letter, but it appears that the purpose of the letter has been overlooked.

The relentless collection methods and the scorched earth policy being followed by Terry Sanford and the outside counsel representing Bank One against our business is what is at issue. The letter was an appeal for someone in the policy making area of the bank to review our situation and hopefully intervene on our behalf.

Contrary to your statement, I want to say that Paul A. Stradtman Construction, Inc. ("PASCO") always has and is honoring its commitment to Bank One. This fact is evidenced by the uninterrupted payment history over the preceding 80 months, which totals \$1,442,742.50 in principal and interest.

PASCO's financial performance was severely impacted by three very bad municipal sewer projects undertaken during the 1995-1996 construction seasons. All of which we subsequently completed and were accepted by the municipalities. In spite of the severe losses incurred on these jobs, PASCO has and continues to live up to commitments to Bank One to retire the subject indebtedness.

I would like to point out, once again, that PASCO began repayment of the \$400,000 line of credit on its own volition at the rate of \$10,000 per month plus interest before Bank One demanded repayment in full. The obligation was reduced from the original \$400,000 to \$190,000 between February 1997 and July 1998, a period of 18 months. All of the payments included interest accrued to date on the outstanding balance. Although you stated that we have failed to yield a satisfactory repayment of debt, we feel we have made considerable progress.

Mr. Joseph A. Ciampapa, Esq.

August 4, 1998

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In order to reassure the bank of our intent and ability to repay our obligation, we offered to Mr. Sanford, in addition to the collateral already held by the bank consisting of \$2,000,000 of construction equipment, a life insurance policy of \$300,000 on Mr. Stradtmann, and our personal guarantees:

- To provide Bank One with a second mortgage on a piece of industrial real estate valued at over \$3,000,000.
- Or, a second mortgage on a piece of land zoned multifamily valued at approximately \$1,000,000.

Our only request to Bank One through Mr. Sanford, was that PASCOCO be permitted to repay the line through the normal course of business at a rate of \$10,000 per month and interest until paid in full.

Mr. Sanford refused all our offers to further secure the bank's position, demanded immediate repayment and, once again, pushed forward with legal action.

The balance on the loan is a company obligation. The company is not able to repay the \$190,000 demanded at this time. The company has been hindered in securing a new banking relationship for a number of reasons. One of those reasons is the ongoing legal actions taken by Bank One against PASCOCO, and Paul and I personally, in their demand for immediate repayment.

We are currently using personal assets for working capital until the company is strong enough to run on its own. Large amounts of working capital are required to fund our construction projects before cash flow begins. To repay the obligation from personal funds would leave us unable to meet the day to day operating needs of the company.

We have good jobs in progress with almost all equipment working on job sites. Our volume is ahead of last year. We have every reason to expect a good year. For the bank to take the equipment, in lieu of our offers of additional security, would be disastrous for our company and the developers for whom we are working. It would mean the loss of jobs for our twenty-four employees most of whom are highly paid Local 18 Operating Engineers and Local 860 Laborers, many of whom have been with the company since it started in business in 1980.



Mr. Joseph A. Giampana, Esq.

August 4, 1998

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We appreciate your commiseration with the unfortunate circumstances in which we find ourselves, but what we do not understand is why Bank One has chosen to relentlessly pursue the liquidation of PASCO's construction equipment and the ultimate destruction of the construction company and the life's work of its owners, when:

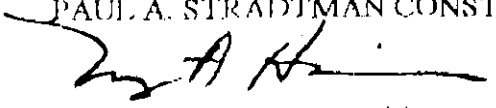
- Bank One holds \$2,000,000 in construction equipment as collateral for a \$190,000 obligation.
- The original \$400,000 obligation has been reduced every month since February 1997 by at least \$10,000 per month plus interest from the operating proceeds of the business (\$210,000 in 18 months).
- PASCO's original business checking accounts both general and payroll are with Bank One as they have been for over 18 years.
- Bank One is collecting interest every month ~~on the declining balance~~.
- PASCO is paying fringe benefits to union welfare funds administered by Bank One.

In spite of what Mr. Sanford says, PASCO by its actions, has demonstrated integrity, commitment, and its intent and ability to meet obligations under extremely difficult and adverse conditions. It would seem that these should be desirable qualities in a human or business relationship.

PASCO is asking only for consideration that is totally within the power of the policy makers of Bank One to grant that the company be permitted to continue to repay the remaining balance of the line of credit of \$190,000 at the rate of \$10,000 per month plus interest until paid in full.

Sincerely,

PAUL A. STRADTMAN CONSTRUCTION, INC.

  
Nancy A. Hain, Secretary/Treasurer  
aka Nancy A. Stradtman

NAH:sc

cc: Ms. Julia Johnson, Senior Vice President, Community Reinvestment - OI11-0155.