



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON, D. C. 20551

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

May 6, 1998

Mr. John R. Pittman
GRA, Thompson, White & Co., Inc.
6740 Antioch Road
P.O. Box 29118
Merriam, Kansas 66201-1418

Dear Mr. Pittman:

This is in response to your request on behalf of FBC Financial Corporation, Claremore, Oklahoma ("FBC"), for relief from a set of commitments (the "Commitments") made by FBC in connection with its acquisition of 13.6 percent of the voting shares of Century Acquisition Corp., Hurst, Texas ("Century"). FBC is a thrift holding company that controls a federal savings bank, 1st Bank Oklahoma, Claremore, Oklahoma, and Century is a bank holding company that controls City National Bank, Kilgore, Texas ("Bank"). The Commitments concern FBC's relationship with Century and its subsidiaries, including Bank, and are similar to commitments that the Board has relied on in other cases to ensure that a company that is not registered as a bank holding company, such as FBC, will not control or exercise a controlling influence over a bank holding company or a bank.

On July 24, 1997, the Federal Reserve Bank of Kansas City approved FBC to acquire its interest in Century. At the same time, the Reserve Bank approved the applications of Morrill Bancshares, Inc., Sabetha, Kansas ("Morrill"), and three other bank holding companies under section 3 of the Bank Holding Company Act (12 U.S.C. § 1842) collectively and individually to acquire control of Century. On March 24, 1998, the Reserve Bank approved the notice filed by Morrill under section 4(c)(8) of the BHC Act (12 U.S.C. § 1843(c)(8)) to acquire 24.3 percent of the voting shares of FBC, and determined in connection therewith

that Morrill would control Thrift.^{1/} As a result of these acquisitions, FBC and Century now are under common control by Morrill. In view of the establishment of this common control relationship, you argue that the need for any passivity commitments concerning the relationship between FBC and Century and its subsidiaries no longer exists.

Based on all the facts of record, including supervisory information related to FBC, Century, and Morrill, the Director of the Division of Banking Supervision and Regulation, acting pursuant to authority delegated by the Board under section 265.7(a)(2) of the Board's Rules Regarding Delegation of Authority (12 C.F.R. 265.7(a)(2)), has determined to release the Commitments. This determination does not effect the status or enforceability of any other commitments that FBC, Century, or Morrill may have provided in connection with or subsequent to any of the applications and the notice described above. Any change in the facts considered in connection with your request could result in a different determination, and should be reported immediately to Board staff.

Very truly yours,



Jennifer J. Johnson
Deputy Secretary of the Board

cc: David Johnson, Federal Reserve Bank of Kansas City
Karen Roberts, Federal Reserve Bank of Dallas

^{1/} See Letter from John E. Yorke, Senior Vice President, to Kurt M. Saylor (dated March 24, 1998).