

**FEDERAL RESERVE SYSTEM****Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

The companies listed in this notice have applied to the Board for approval, pursuant to the Bank Holding Company Act of 1956 (12 U.S.C. 1841 *et seq.*) (BHC Act), Regulation Y (12 CFR part 225), and all other applicable statutes and regulations to become a bank holding company and/or to acquire the assets or the ownership of, control of, or the power to vote shares of a bank or bank holding company and all of the banks and nonbanking companies owned by the bank holding company, including the companies listed below.

The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center Web site at <http://www.ffiec.gov/nic/>.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than December 5, 2005.

**A. Federal Reserve Bank of Cleveland** (Cindy West, Manager) 1455 East Sixth Street, Cleveland, Ohio 44101-2566:

1. *Whitaker Bank Corporation of Kentucky*, Lexington, Kentucky; to acquire 100 percent of the voting shares of Berea Community Bank, Inc., Berea, Kentucky (currently known as Berea National Bank, Berea, Kentucky).

**B. Federal Reserve Bank of Chicago** (Patrick M. Wilder, Assistant Vice President) 230 South LaSalle Street, Chicago, Illinois 60690-1414:

1. *First Citizens Financial Corp.*, Mason City, Iowa; to acquire 100 percent of the voting shares of Kanabec Credit Company, Mora, Minnesota, and thereby indirectly acquire Kanabec State Bank, Mora, Minnesota.

**C. Federal Reserve Bank of Minneapolis** (Jacqueline G. King, Community Affairs Officer) 90

Hennepin Avenue, Minneapolis, Minnesota 55480-0291:

1. *First Sleepy Eye Bancorporation, Inc.*, Sioux Falls, South Dakota; to acquire 100 percent of the voting shares of Stearns Bank, Evansville, N.A., Evansville, Minnesota.

Board of Governors of the Federal Reserve System, November 3, 2005.

**Robert deV. Frierson**,

*Deputy Secretary of the Board.*

[FR Doc. E5-6172 Filed 11-8-05; 8:45 am]

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**FEDERAL RESERVE SYSTEM****Formations of, Acquisitions by, and Mergers of Bank Holding Companies**

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The applications listed below, as well as other related filings required by the Board, are available for immediate inspection at the Federal Reserve Bank indicated. The application also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the standards enumerated in the BHC Act (12 U.S.C. 1842(c)). If the proposal also involves the acquisition of a nonbanking company, the review also includes whether the acquisition of the nonbanking company complies with the standards in section 4 of the BHC Act (12 U.S.C. 1843). Unless otherwise noted, nonbanking activities will be conducted throughout the United States. Additional information on all bank holding companies may be obtained from the National Information Center website at <http://www.ffiec.gov/nic/>.

Unless otherwise noted, comments regarding each of these applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than December 5, 2005.

**A. Federal Reserve Bank of Dallas** (W. Arthur Tribble, Vice President) 2200 North Pearl Street, Dallas, Texas 75201-2272:

1. *Patriot Bancshares, Inc.*, Houston, Texas; to become a bank holding company by acquiring 100 percent of

the voting shares of Patriot Bank, Houston, Texas.

**B. Federal Reserve Bank of San Francisco** (Tracy Basinger, Director, Regional and Community Bank Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Ruh Capital, LLC; Eggemeyer Family Trust; William J. Ruh Trust; Western States Opportunity LLC; Eggemeyer Capital LLC; and Castle Creek Capital III, LLC*, all of Rancho Santa Fe, California; to become bank holding companies by acquiring 100 percent of the voting shares of LDF, Inc., and thereby acquire Labe Bank, both of Chicago, Illinois.

Board of Governors of the Federal Reserve System, November 4, 2005.

**Robert deV. Frierson**,

*Deputy Secretary of the Board.*

[FR Doc. E5-6174 Filed 11-8-05; 8:45 am]

**BILLING CODE 6210-01-S**

**FEDERAL RESERVE SYSTEM****Notice of Proposals to Engage in Permissible Nonbanking Activities or to Acquire Companies that are Engaged in Permissible Nonbanking Activities**

The companies listed in this notice have given notice under section 4 of the Bank Holding Company Act (12 U.S.C. 1843) (BHC Act) and Regulation Y (12 CFR part 225) to engage *de novo*, or to acquire or control voting securities or assets of a company, including the companies listed below, that engages either directly or through a subsidiary or other company, in a nonbanking activity that is listed in § 225.28 of Regulation Y (12 CFR 225.28) or that the Board has determined by Order to be closely related to banking and permissible for bank holding companies. Unless otherwise noted, these activities will be conducted throughout the United States.

Each notice is available for inspection at the Federal Reserve Bank indicated. The notice also will be available for inspection at the offices of the Board of Governors. Interested persons may express their views in writing on the question whether the proposal complies with the standards of section 4 of the BHC Act. Additional information on all bank holding companies may be obtained from the National Information Center Web site at <http://www.ffiec.gov/nic/>.

Unless otherwise noted, comments regarding the applications must be received at the Reserve Bank indicated or the offices of the Board of Governors not later than December 5, 2005.

**A. Federal Reserve Bank of San Francisco** (Tracy Basinger, Director, Regional and Community Bank Group) 101 Market Street, San Francisco, California 94105-1579:

1. *Ruh Capital, LLC; Eggemeyer Family Trust; William J. Ruh Trust; Castle Creek Capital Partners III, L.P.; Western States Opportunity LLC; Eggemeyer Capital LLC; and Castle Creek Capital III, LLC*, all of Rancho Santa Fe, California; to acquire shares of Atlanta Bancorporation, Inc., Alpharetta, Georgia, and indirectly acquire Gibsonville Community Bank, Gibsonville, North Carolina, and thereby engage in operating a state savings bank, pursuant to section 225.25(b)(4)(ii) of Regulation Y.

Board of Governors of the Federal Reserve System, November 4, 2005.

**Robert deV. Frierson,**

*Deputy Secretary of the Board.*

[FR Doc.E5-6175 Filed 11-8-05; 8:45 am]

BILLING CODE 6210-01-S

## FEDERAL RESERVE SYSTEM

[Docket No. OP-1241]

### Federal Reserve Bank Services

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Notice.

**SUMMARY:** The Board has approved the 2006 fee schedules for Federal Reserve priced services and electronic access and a private-sector adjustment factor (PSAF) for 2006 of \$117.7 million. These actions were taken in accordance with the requirements of the Monetary Control Act of 1980, which requires that, over the long run, fees for Federal Reserve priced services be established on the basis of all direct and indirect costs, including the PSAF. The Board has also approved maintaining the current earnings credit rate on clearing balances.

**DATES:** The new fee schedules become effective January 3, 2006, except the FedLine Select electronic connection fees, which become effective April 1, 2006.

**FOR FURTHER INFORMATION CONTACT:** For questions regarding the fee schedules: Jack K. Walton II, Associate Director (202/452-2660); Jeremy R. Mandell, Financial Services Analyst (202/452-2842), Division of Reserve Bank Operations and Payment Systems. For questions regarding the PSAF and earnings credits on clearing balances: Gregory L. Evans, Assistant Director, (202/452-3945); Brenda L. Richards, Manager, Financial Accounting (202/452-2753); or Jonathan Mueller, Financial Analyst (202/530-6291), Division of Reserve Bank Operations and Payment Systems. For users of Telecommunications Device for the Deaf

(TDD) *only*, please call 202-263-4869. Copies of the 2006 fee schedules for the check service are available from the Board, the Federal Reserve Banks, or the Reserve Banks' financial services Web site at [www.frb services.org](http://www.frb services.org).

### SUPPLEMENTARY INFORMATION:

#### I. Priced Services

##### A. Discussion

From 1995 through 2004, the Reserve Banks recovered 97.5 percent of their total expense (including special project costs and imputed expenses) and targeted after-tax profits or return on equity (ROE) for providing priced services.<sup>1</sup>

Table 1 summarizes 2004, 2005 estimated, and 2006 budgeted cost recovery rates for all priced services. Cost recovery is estimated to be 103.6 percent in 2005 and budgeted to be 102.5 percent in 2006. The performance of the check service heavily influences the aggregate cost recovery rates and accounts for approximately 80 percent of the total cost of priced services. The electronic services (FedACH<sup>SM</sup>, the Fedwire<sup>®</sup> funds service and national settlement service (NSS), and the Fedwire<sup>®</sup> securities service) account for approximately 20 percent of total costs.<sup>2</sup> The noncash collection service represents a de minimis amount of total costs and, by year-end 2005, the Reserve Banks will exit the service.

TABLE 1.—AGGREGATE PRICED SERVICES PRO FORMA COST AND REVENUE PERFORMANCE<sup>a</sup>  
[\$ millions]

Year	1 <sup>b</sup> Revenue	2 <sup>c</sup> Total expense	3 Net income (Roe) [1-2]	4 <sup>d</sup> Target ROE	5 Recovery rate after tar- get ROE [1/ (2+4)]
2004 .....	914.6	842.6	72.0	112.4	95.8%
2005 (estimate) .....	958.2	821.8	136.4	102.9	103.6%
2006 (budget) .....	911.1	817.1	94.0	72.0	102.5%

<sup>a</sup> Calculations in this table and subsequent pro forma cost and revenue tables may be affected by rounding.

<sup>b</sup> Revenue includes net income on clearing balances (NICB). Clearing balances are assumed to be invested in a broad portfolio of investments, such as Treasury securities, government agency securities, commercial paper, municipal and corporate bonds, and money market and mutual funds. To impute income, a constant spread is determined from the historical average return on this portfolio and applied to the rate used to determine the cost of clearing balances. NICB equals the imputed income from these investments less earnings credits granted to holders of clearing balances. The cost of earnings credits is based on the discounted three-month Treasury bill rate.

<sup>c</sup> The calculation of total expense includes operating, imputed, and other expenses. Imputed and other expenses include taxes, FDIC insurance, Board of Governors' priced services expenses, the cost of float, and interest on imputed debt, if any. Credits or debits related to the accounting for pensions under FAS 87 are also included.

<sup>d</sup> Target ROE is the after-tax ROE included in the PSAF. The 2006 target return on equity is lower than it has been historically because of a Board-approved change to the method used to calculate the targeted return on equity.

Table 2 presents an overview of the 2004, 2005 budget, 2005 estimate, and

2006 budget cost recovery performance by priced service.

<sup>1</sup> These imputed expenses, such as taxes that would have been paid, and the return on equity that would have to be earned had the services been furnished by a private business firm, are referred to

as the PSAF. The ten-year recovery rate is based upon the pro forma income statements for Federal Reserve Banks' priced services published in the Board's Annual Report.

<sup>2</sup> FedACH and Fedwire are registered servicemarks of the Reserve Banks.