



Comptroller of the Currency
Administrator of National Banks

Licensing Section (Applications)
Western District Office
50 Fremont Street, Suite 3900
San Francisco, CA 94105-2292

Corporate Decision #97-09 February 1997

DECISION OF THE COMPTROLLER OF THE CURRENCY ON THE APPLICATION OF SIERRA NATIONAL BANK, TEHACHAPI, CALIFORNIA, TO PURCHASE CERTAIN ASSETS AND ASSUME CERTAIN LIABILITIES OF THE TEHACHAPI BRANCH OFFICE OF WELLS FARGO BANK, NATIONAL ASSOCIATION, SAN FRANCISCO, CALIFORNIA

DECISION

Introduction

On November 25, 1996, application was made to the Office of the Comptroller of the Currency (OCC) for prior authorization for Sierra National Bank (Sierra), Tehachapi, California to purchase certain assets and assume certain liabilities of the Tehachapi Branch Office of Wells Fargo Bank, National Association (Wells Fargo), San Francisco, California. This application was based on an agreement entered into between the proponents on October 15, 1996.

Participating Financial Institutions

As of September 30, 1996, Sierra had total assets of \$60 million and total deposits of \$55 million and operated four offices. As of the same date, the Tehachapi Branch Office had total deposits of \$17 million.

Competitive Analysis

The relevant geographic market for this proposal is the area including and immediately surrounding the city of Tehachapi, the area from which the branch to be acquired derives over 85 percent of its deposits, and where competition between Sierra and Wells Fargo is considered direct and immediate. This is an area with a population of less than 7,000 persons. The OCC considers an area with such a small population to be economically insignificant from a competitive standpoint. (See Decision of the Comptroller of the Currency on the application to merge The National Bank and Trust Company of Norwich, Norwich, New York, with National Bank of Oxford, Oxford, New York, dated April 8, 1983.) Therefore, because the market is not recognized as being economically significant, any anticompetitive effects resulting from the transaction are considered *de minimis*.

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 Sierra do not raise significant concerns that would cause the application to be disapproved.

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 applicants' records of helping to meet the credit needs of their communities, including low-and moderate-income neighborhoods is less than satisfactory.

Convenience and Needs

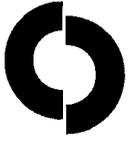
The acquisition by Sierra will not result in any significant adverse impact on the convenience and needs for the residents and businesses of Tehachapi. Sierra will continue to offer comparable financial services and credit products that were offered by the Wells Fargo branch.

Conclusion

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

 \s/
Karen E. Hardy
Acting Manager, Licensing
Western District

Date: January 17, 1997



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