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Comptroller of the Currency  
Administrator of National Banks

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Central District Office  
One Financial Place, Suite 2700  
440 South LaSalle Street  
Chicago, Illinois 60605

**Corporate Decision #2002-3**  
**February 2002**

January 16, 2002

Mr. Douglas M. Kratz, Chairman  
National Bancshares, Inc.  
P.O. Box 1030  
Bettendorf, Iowa 52722-0018

Subject: THE National Bank, Bettendorf, Iowa  
Iowa Messenger Service Branch  
OCC Control Number 2001-CE-05-160

Dear Mr. Kratz:

This is to inform you that on January 11, 2001 the Comptroller of the Currency (OCC) approved your proposal to establish a messenger service branch. It is understood that the messenger service branch will operate in the state of Iowa, Scott County, in the following contiguous municipal corporations:

- Bettendorf
- Davenport
- Eldridge

A national bank's ability to branch, including operation of a messenger service branch, is subject to review and approval under federal branching law, which provides among other things that a national bank may branch "at any point within the State in which said association is situated, if such establishment and operation are at the time authorized to state banks." 12 U.S.C. § 36(c)(2). Thus, in determining whether THE National Bank is authorized to establish a messenger service branch, the OCC looked to state law to determine whether and where state banks may branch.

Under Iowa branching statutes, state banks are authorized to "establish any number of bank offices within the municipal corporation or urban complex in which the principal place of

business of the bank is located.” Iowa Code § 524.1202.2.a. An “urban complex” is defined as “the geographic area bounded by the corporate limits of two or more municipal corporations, each of which being contiguous to or cornering upon at least one of the other municipal corporations within the complex.” Iowa Code § 524.1202.2.b. Thus, Iowa state banks may branch without numerical limitations within an “urban complex.”

Iowa branching statutes are silent as to whether or not mobile facilities are permissible. In cases where state branching laws are silent on the issue of mobile facilities, but otherwise permit unlimited branching in a geographic area, the OCC has found that the establishment of a mobile branch is permissible. *See* Decision of the Comptroller of the Currency on the Application of First National Bank of Jackson, Jackson, Tennessee, to Establish a Branch in Madison County, Tennessee (April 13, 1990).

Consequently, it is clear that the proposed messenger service branch is permissible within the geographic area described in the Application. Bettendorf, Davenport and Eldridge constitute an “urban complex” as that term is defined in Iowa statutes. Since state banks may establish an unlimited number of branches within an “urban complex,” and since state law is silent on whether mobile branches are permissible, OCC precedent supports the conclusion that a national bank with its principal place of business in Bettendorf, Iowa may establish a messenger service in the Bettendorf-Davenport-Eldridge urban complex.<sup>1</sup>

This branch approval is subject to the following requirements:

- The operation of the messenger service is limited to those locations where the bank could legally establish a permanent branch under applicable federal and state law and within the geographic areas where notice of the proposed messenger service was published.
- After the messenger service begins operations, the bank must maintain a log of operations, indicating the date, specific location, and a description of each stop (e.g., office, store, residence, etc.).
- At all times, the messenger service must be maintained and operated in compliance with the relevant provisions of 12 CFR 21 and the Bank Protection Act of 1968.

If you desire to operate the messenger service outside the geographic area where notice was published, please contact the appropriate district office for additional information.

The bank must advise the appropriate district office in writing in advance of the desired opening date, so the OCC may issue the necessary authorization letter. If the branch is

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<sup>1</sup> Further, we note that the Iowa Banking Division has application materials available for state banks proposing to establish mobile banking offices including courier service branches. Clearly, therefore, Iowa state banks are authorized to establish messenger service branches under Iowa banking laws.

not opened within 18 months from this date, the approval will automatically terminate, unless the OCC grants an extension.

This approval is granted based on a thorough review of all information available, including representations and commitments made in the application and by the bank's representatives.

This approval, and activities and communications by OCC employees in connection with the filing, do not constitute a contract, express or implied, or any other obligation binding the OCC, the U.S., any agency or entity of the U.S., or an officer or employee of the U.S., and do not affect the ability of the OCC to exercise its supervisory, regulatory and examination authorities under applicable law and regulations. The foregoing may not be waived or modified by any employee or agent of the OCC or the U.S.

If you have any questions regarding this letter, please contact Daniel Walters at (312) 360-8872.

Sincerely,

/s/

David J. Rogers  
National Bank Examiner  
Central District