

Champaign banks search for buyers to clear way for merger

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On June 12, First Busey Corporation and Main Street Trust Inc. announced that they had come to an agreement with the Department of Justice over their impending merger. Under the agreement, Main Street Bank & Trust will sell off five branches, all located in Champaign County. The only Main Street Bank & Trust office on campus, located at the intersection of Wright and Green streets, is one of five slated to be sold. Also included in the divestiture are the branches located at 1611 S. Prospect Ave. in Champaign, 410 N. Broadway Ave. and 1819 S. Philo Road in Urbana and Mahomet's Eastwood Shopping Center.

The Department of Justice claimed these sell-offs would "resolve antitrust concerns about the companies' pending merger." Following the completion of the deal, the Department said it will advise the Federal Reserve Board against challenging the merger. While it has already been approved by the state, First Busey and Main Street are awaiting a final ruling by Federal Reserve System's Board of Governors.

When contacted, Paul Donohue, executive vice president of sales and marketing, would not comment further and said all information about the merger was already available either in press releases or in other articles.

"While we certainly would have preferred to retain all of the branches following the merger, the companies have overlapping branches in each of the areas affected by the divestiture," said First Busey Chairman and Chief Executive Officer Douglas C. Mills in a News-Gazette article. "We do not expect the divestitures to significantly affect the combined company's footprint going forward."

The two companies jointly agreed that they will not finalize the merger until a contract is signed with a suitable buyer as laid out by the standards of the Department of Justice and the Federal Reserve. Additionally, they said that potential buyers of the five branches have been identified. They expect to sign an agreement with a buyer as soon as possible.

Customers do not seem worried about the merger or the sell-off.

"As long as their services stay consistent I'm not too worried about it," said James Cain, a recent University alumnus. "With all the mergers going on elsewhere in other industries, you can't be mad about it. It's just the way of things."

As part of their duties, the Antitrust Division of Department of Justice reviews all mergers before they are complete to protect competition in the American economy.

"These divestitures will ensure that consumers and businesses in the Champaign-Urbana area will continue to enjoy the benefits of competition for their commercial banking and retail banking services," said Thomas O. Barnett, assistant attorney general in charge of the department's antitrust division.

On September 21, First Busey agreed to buy Main Street Trust in a deal valued around \$350 million. Then, in February shareholders agreed to the terms of the deal and approved the merger. Main Street shareholders will receive 1.55 shares of First Busey common stock for each share that they hold.

In total, the deal encompasses the dispossession of approximately \$110 million in commercial and private loans and deposits.

When complete, the two banks will have approximately \$3.6 billion in assets and \$2.7 billion in total deposits, according to the Department of Justice. The Federal Deposit Insurance Corporation says the banks now account for around 48 percent of the total market share in Champaign County.

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