

include oral testimony and cross-examination in the discretion of the presiding officer only upon showing that there are genuine issues of material fact that cannot be resolved on the basis of sworn statements, affidavits, depositions, or other documents or that the nature of the matter in issue is such that an oral hearing and cross-examination are necessary for the development of an adequate record. Pursuant to the further terms of 46 CFR 502.61, the initial decision of the presiding officer in this proceeding shall be issued by October 18, 2004 and a final decision of the Commission shall be issued by February 5, 2005.

**Bryant L. VanBrakle,**  
Secretary.

[FR Doc. 03-27111 Filed 10-27-03; 8:45 am]

BILLING CODE 6730-01-P

## FEDERAL RESERVE SYSTEM

### Change in Bank Control Notices; Acquisition of Shares of Bank or Bank Holding Companies

The notificants listed below have applied under the Change in Bank Control Act (12 U.S.C. 1817(j)) and § 225.41 of the Board's Regulation Y (12 CFR 225.41) to acquire a bank or bank holding company. The factors that are considered in acting on the notices are set forth in paragraph 7 of the Act (12 U.S.C. 1817(j)(7)).

The notices are available for immediate inspection at the Federal Reserve Bank indicated. The notices also will be available for inspection at the office of the Board of Governors. Interested persons may express their views in writing to the Reserve Bank indicated for that notice or to the offices of the Board of Governors. Comments must be received not later than November 12, 2003.

**A. Federal Reserve Bank of Kansas City** (James Hunter, Assistant Vice President) 925 Grand Avenue, Kansas City, Missouri 64198-0001:

1. *Aubrey K. McClendon and Tom L. Ward*, both of Oklahoma City, Oklahoma; to acquire control of First Medicine Lodge Bancshares, Inc., Overland Park, Kansas, and thereby indirectly acquire First Bank of Medicine Lodge, Medicine Lodge, Kansas.

Board of Governors of the Federal Reserve System, October 22, 2003.

**Robert deV. Frierson,**  
Deputy Secretary of the Board.

[FR Doc. 03-27101 Filed 10-27-03; 8:45 am]

BILLING CODE 6210-01-S

## 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 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 November 21, 2003.

**A. Federal Reserve Bank of Atlanta** (Sue Costello, Vice President) 1000 Peachtree Street NE., Atlanta, Georgia 30303:

1. *First National Banc, Inc.* Saint Marys, Georgia; to acquire 100 percent of the voting shares of First National Bank, Orange Park, Florida.

**B. Federal Reserve Bank of Richmond** (A. Linwood Gill, III, Vice President) 701 East Byrd Street, Richmond, Virginia 23261-4528:

1. *Cornerstone Financial Services, Inc.*, West Union, West Virginia; to become a bank holding company by acquiring 100 percent of the voting shares of First National Bank in West Union, West Union, West Virginia.

Board of Governors of the Federal Reserve System, October 22, 2003.

**Robert deV. Frierson,**  
Deputy Secretary of the Board.

[FR Doc. 03-27100 Filed 10-27-03; 8:45 am]

BILLING CODE 6210-01-S

## FEDERAL RESERVE SYSTEM

[Docket No. R-1152]

### Federal Reserve Bank Services Imputed Investment Income on Clearing Balances

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

**ACTION:** Notice.

**SUMMARY:** The Board has approved modifications to the method for imputing priced-service income from clearing balance investments. The Federal Reserve Banks impute this income when setting fees and measuring actual cost recovery each year. The Reserve Banks will impute the income from clearing balance investments on the basis of a broader portfolio of investments than used previously, selected from those available to banks. The Reserve Banks will impute an investment return expressed as a constant annual spread over the rate used to determine the cost of clearing balances. The constant annual spread will be determined based on an underlying imputed investment portfolio. Selection of the portfolio investment mix will be subject to a risk-management framework that includes criteria consistent with those used by banks, bank holding companies, and regulators in evaluating investment risk. The revised method will be used to impute investment income on clearing balances beginning in January 2004.

#### FOR FURTHER INFORMATION CONTACT:

Gregory L. Evans, Manager (202/452-3945) or Brenda L. Richards, Sr. Financial Analyst (202/452-2753); Division of Reserve Bank Operations and Payment Systems. Telecommunications Device for the Deaf (TDD) users may contact 202/263-4869.

#### SUPPLEMENTARY INFORMATION:

##### I. Background

The Monetary Control Act (MCA) requires Federal Reserve Banks to establish fees for "priced services" provided to depository institutions at a level necessary to recover, over the long run, all direct and indirect costs actually