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Thirty Years of Banking in New Jersey

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Thirty years is not a particularly long time, and if we were talking sports instead of banking, it would not seem that long ago that the Jets and Mets had made short work of a couple of teams from Baltimore, but in banking, the start of the seventies seems like an eternity ago. In New Jersey, the ability to move beyond municipalities and counties with banking offices was just beginning; CDs and credit cards had been introduced just seven years earlier; and rates paid on deposits were capped with thrifts having a mandated rate advantage.

In 1970, banking in New Jersey and elsewhere also began a decade that would totally alter the industry's direction. Holding companies became a vehicle for offering non-traditional services and crossing county lines. Time deposits increasingly meant CDs instead of passbook savings; nonbank competition for deposits reared its ugly head via the Merrill Lynch money market fund; and the combination of nonbank deposit substitutes and rising interest rates began an era of disintermediation that would force changes in the eighties and would make the turbulent seventies look like the "good old days."

Also in 1970, being a New Jersey banking leader pretty much meant being a Newark bank. Four of the five largest banks – First National State, Howard Savings, Fidelity Union and National Newark & Essex Bank, which would soon take the more user-friendly name of Midlantic, were in Newark. The exception in the top five was Hackensack-based United Jersey.

Surprisingly, even with the spread of the holding company concept with its ability to put banks in different markets under the same ownership, the seventies did not greatly alter the level of New Jersey's banking concentration. In 1970, the twelve largest banks had a little over 34% of the New Jersey deposits. Ten years later, they still had not reached 35% (see table on next page).

This concentration stability, though, is a little misleading. The four large Newark banks and United Jersey tripled in size in the seventies as they spread across the state, but their increase in deposits was almost matched by "all other" banks. A branching boom, which shifted banking activity from urban centers to the suburbs that began in the mid-fifties, reached its peak in the seventies, and while the big banks grew by acquisition, smaller banks and thrifts in the suburbs and small towns grew equally fast through branching.

In the eighties, though, the combination of mergers and thrift problems began an era of consolidation "for real" as the deposit share of the twelve largest banks rose from just under 35% in 1981 to a little over 44% by 1990. The major impetus was the merger of First National State with Fidelity Union to create First Fidelity. This, along with Midlantic's acquisition of Heritage and others, created a "big two" with 18% of the 1990 deposits, and it opened a large gap between number two, Midlantic, with an 8.7% share and a then struggling City Savings in third with a 3.5% deposit share. United Jersey failed to keep pace with the other large commercial banks with its deposit share falling from 3.4% in 1981 to 2.4% nearly ten years later.

In 1990, local banking was still controlled by New Jersey banks. A British bank, National Westminster, acquired First Jersey National and First National Bank of Central Jersey in the eighties to rank fourth in deposits, and Chemical out of New York had bought Horizon to put it in sixth place. They, though, were the only out-of state commercial banks ranked in the top twelve and had a combined New Jersey deposit share of less than 7%.

In the nineties, all semblence of local control disappeared, and there was almost a complete change in the banking leaders. Among the top twelve banking organizations in 1990, only Hudson City was still around ten years later. In 2000, the leaders were Fleet with 23% of the deposits;* First Union with 12% and PNC at 8%. Other out-of-state institutions in the top twelve were Sovereign, Bank of New York, J.P. Morgan Chase and Dime.

*All market share numbers for 2000 assume completion of the Fleet acquisition of Summit.

Thirty Years of New Jersey Banking Leaders

2000	Deposits (In mill.)	Market Share	1990	Deposits (In mill.)	Market Share
1. Fleet	$ 34,994	23.2%	1. First Fidelity	$12,458	9.3%
2. First Union	18,258	12.1	2. Midlantic	11,723	8.7
3. PNC	12,450	8.3	3. City Savings	4,673	3.5
4. Hudson City	6,829	4.5	4. National Westminster	4,455	3.3
5. Sovereign	6,485	4.3	5. Howard Savings	4,433	3.3
6. Commerce	5,475	3.6	6. Chemical	4,214	3.1
7. Valley National	5,057	3.4	7. National Community	3,600	2.7
8. Bank of New York	3,029	2.0	8. United Jersey	3,281	2.4
9. Hudson United	2,617	1.7	9. Carteret Savings	2,989	2.2
10. Trust Co. of New Jersey	2,611	1.7	10. Hudson City	2,965	2.2
11. J.P. Morgan Chase	2,453	1.6	11. Citizens First	2,708	2.0
12. Dime	2,188	1.5	12. Anchor Savings	2,328	1.7
Total	$102,446	67.9%	Total	$59,827	44.4%

1981*	Deposits (In mill.)	Market Share	1970	Deposits (In mill.)	Market Share
1. First National State	$ 3,197	5.3%	1. First National State	$ 1,001	4.6%
2. Howard Savings	2,734	4.5	2. Howard Savings	951	4.4
3. Midlantic	2,500	4.1	3. United Jersey	775	3.6
4. Fidelity Union	2,401	4.0	4. Midlantic	739	3.4
5. United Jersey	2,067	3.4	5. Fidelity Union	664	3.0
6. City Savings	1,686	2.8	6. Peoples Trust	652	3.0
7. Heritage	1,199	2.0	7. New Jersey Bank	497	2.3
8. Hudson City	1,170	1.9	8. New Jersey National	496	2.3
9. Suburban Savings	1,123	1.9	9. First Jersey	458	2.1
10. Horizon	1,036	1.7	10. 1st National-Passaic	421	1.9
11. Carteret Savings	1,031	1.7	11. National Community	410	1.9
12. New Jersey National	977	1.6	12. Bank of New Jersey	352	1.6
Total	$ 21,121	34.9%	Total	$ 7,416	34.1%

*1980 data not readily available.

Source: Various sources.

The degree of concentration also increased greatly in the nineties as the share of deposits held by the twelve leaders rose from about 44% to almost 68%, and Fleet, First Union and PNC had about 44% between them. The big change came with United Jersey's merger with Summit and later sale to Fleet, which along with Fleet's acquisition of National Westminster's New Jersey franchise, made Fleet by far the largest bank in New Jersey. Other changes contributing to the consolidation process were First Union's acquisition of CoreStates, which gave it ownership of the First Fidelity franchise; PNC's purchase of Midlantic; and the early nineties failures of City Savings, Howard Savings and Carteret Savings.

The incursion of out-of-state banks, while representing a major change in the local banking structure, was good news for the local banks that remained. Hudson City more than doubled its deposit share in the nineties and, in so doing, moved from tenth to fourth in the rankings. Commerce increased its deposits from $701 million to $5.5 billion during the nineties making it the sixth largest bank in the state, and Valley National grew three-fold to put it in seventh place. Hudson United moved into the top twelve and ranked ninth in 2000.

Another result of the nineties consolidation was the opening of new banks. Since 1990, 41 new banks have opened their doors in New Jersey. While some of these banks have already been sold, the 32 that remain had 2000 deposits of $2.1 billion and are 47% of total commercial banks headquartered in the state.

The rise and decline of the thrift industry in New Jersey also garnered a lot of headlines, but despite all the negative press in the last twenty years and failure of some of the state's largest thrifts, the thrift share of deposits is not much less today than it was in 1970. At that time, thrifts held 35% of the state's deposits, and in 2000, they had 27%, which was the largest thrift share in any state outside of New England.

It was not a gradual decline of eight percentage points, though, as New Jersey's thrifts, particularly a handful of very large ones, grew rapidly in the seventies, and by 1980, held 49% of the state's deposits. There was slippage in the eighties, but in 1990, thrifts still had more than 41% of the deposits. The subsequent fourteen percentage point slide was a combination of the failures of some large thrifts in the early nineties and acquisition of thrifts by commercial banks. New Jersey's thrifts that are still with us in 2001, collectively, have lifted their deposit share from about 13% in 1990 to almost 28% in 2000.

Deposit Change by Type of Institution – New Jersey

	2000	1990	1980	1970

(In millions)

	Deposits			
Commercial banks	$103,310*	$ 75,355	$28,376	$13,868
Thrifts	41,953	55,881	27,968	7,558
Credit unions	5,589	3,404	890	300**
Total	$150,852	$134,640	$57,234	$21,726
	Market Share			
Commercial banks	68.5%	56.0%	49.6%	63.8%
Thrifts	27.8	41.5	48.9	34.8
Credit unions	3.7	2.5	1.5	1.4**
Total	100.0%	100.0%	100.0%	100.0%

*Much of the increase came from thrift acquisitions.
**Estimated.

Source: Various sources.

The present New Jersey thrift strength also can be seen among banking organizations in the state with deposits in excess of $1 billion. Of 20 such organizations, eight are thrifts.* The local thrifts among those eight – Hudson City, Provident, Investors, Columbia and First Sentinel – have been increasing their deposit share in recent years. Collectively, their share has risen from 8% in 1996 to 9.2% in 2000.

*This does not include Merrill Lynch and TD Waterhouse, that have thrift charters, but in no other way can claim to be thrifts. They had June 30, 2000 New Jersey deposits of $5.9 and $5.2 billion deposits, respectively.

Deposit Share in New Jersey

	Deposits 2000 (In mill.)	Market Share June 30, 2000	1999	1998	1996
Market Leaders					
Fleet	$ 34,994	23.2%	6.3%	5.8%	7.4%
First Union	18,258	12.1	12.4	13.5	10.5
PNC	12,450	8.3	8.1	8.1	8.2
Subtotal	$ 65,702	43.6%	26.8%	27.4%	26.1%
Second Tier					
Hudson City	$ 6,829	4.5%	5.1%	4.9%	4.0%
Sovereign	6,485	4.3	4.8	4.6	2.6
Commerce	5,475	3.6	3.2	2.4	1.6
Valley National	5,057	3.4	3.6	3.2	3.1
Subtotal	$ 23,846	15.8%	16.7%	15.1%	11.3%
Other Large					
Bank of New York	$ 3,029	2.0%	2.2%	2.3%	2.7%
Hudson United	2,617	1.7	1.7	1.2	1.1
Trust Co. of New Jersey	2,611	1.7	1.8	1.7	1.6
J.P. Morgan Chase	2,453	1.6	1.7	1.6	1.8
Dime	2,188	1.5	1.6	1.5	1.6
Provident Savings	2,158	1.4	1.5	1.3	1.2
Investors Bancorp	2,107	1.4	1.5	1.5	1.4
Ocwen	1,641	1.1	1.2	1.5	1.1
Columbia Savings	1,590	1.1	1.0	1.0	.8
United National	1,500	1.0	1.1	.7	.6
First Sentinel	1,240	.8	.9	.6	.6
Sun Bancorp	1,209	.8	.6	.5	.3
Amboy National	1,105	.7	.8	.7	.7
Subtotal	$ 25,448	16.8%	17.6%	16.1%	15.5%
Other Thrifts	$ 15,714	10.4%	10.2%	13.1%	17.4%
Other Banks	14,553	9.7	25.0	24.8	26.0
Credit Unions	5,589	3.7	3.7	3.5	3.7
Total	$150,852	100.0%	100.0%	100.0%	100.0%

Note: Excludes Merrill Lynch and TD Waterhouse.

Source: SNL Securities LC, Charlottesville, Virginia.

It has not been all “lose” for the out-of-state banks, but PNC was the only non-loser. First Union has seen its deposit share fall from 13.5% in 1998 to 12.1% in 2000; Fleet slipped from 7.4% in 1996 to 6.3% in 1999 before the recent merger blurred its numbers; Bank of New York was down from 2.7% in 1996 to 2% in 2000; and J.P. Morgan Chase slid from 1.8% to 1.6% in that same four year span. Out-of-state thrifts like Sovereign, Dime and Ocwen also had modest share losses in the most recent years.

The biggest share gains in recent years have been by Commerce, which has more than doubled its deposit share since 1996, but most of the leading local banks have had good gains since 1996. Valley National went from 3.1% to 3.4% in 2000; Hudson United grew from 1.1% to 1.7%; Trust Company of New Jersey went from 1.6% to 1.7%; United National rose from .6% to 1%; and Sun Bancorp from .3% to .8%.

Regionwide deposit shares, though, understate the true market positions of local banks. Even the largest of them tend to focus on parts of, rather than, the entire state, and their market shares in North and South Jersey are higher than they are statewide; particularly in South Jersey.

Because of the size of North Jersey, the market positions for the large out-of-state banks – Fleet, First Union and PNC – are similar to their statewide positions. The gap between number three, PNC, and Hudson City and Valley National, however, is much narrower than it is statewide when only North Jersey is considered.

Hudson City and Valley National also stand out as the primary local North Jersey banking alternatives to the big banks. With more than $5 billion in assets in the region, each has more deposits than the next two largest local banks, Trust Company of New Jersey and Provident, combined. While similar in size, they are very different in style. Hudson City is a traditional thrift with its strong home mortgage orientation. Valley National is a traditional commercial bank with a diversified loan portfolio, and it has recently reversed some of the one way aspects of out-of-state banking in New Jersey by acquiring a $1.4 billion New York City bank.

Deposit Share in North and South Jersey

	Deposits 2000 (In mill.)	Market Share June 30, 2000	1999	1998	1996
North Jersey*					
Fleet	$28,168	24.7%	7.3%	6.7%	8.5%
First Union	12,933	11.3	11.1	11.1	10.9
PNC	8,562	7.5	7.4	7.2	7.5
Hudson City	5,627	4.9	5.6	5.4	4.4
Valley National	5,057	4.4	4.8	4.4	4.1
Sovereign	4,370	3.8	4.2	4.7	2.4
Bank of New York	2,973	2.6	2.8	3.0	3.3
Trust Co. of New Jersey	2,597	2.3	2.4	2.3	2.2
J.P. Morgan Chase	2,453	2.2	2.2	2.2	2.3
Dime	2,110	1.9	2.1	1.9	2.0
Provident Savings	1,965	1.7	1.8	1.6	1.5
Investors Bancorp	1,940	1.7	1.9	1.9	1.8
Hudson United	1,739	1.5	1.7	1.5	1.5
Ocwen	1,641	1.4	1.6	2.0	1.5
United National	1,500	1.3	1.4	1.0	.8
South Jersey**					
Fleet	$ 6,826	18.6%	3.1%	3.1%	4.2%
First Union	5,325	14.5	16.7	20.3	9.2
Commerce	4,080	11.1	9.7	8.0	6.4
PNC	3,888	10.6	10.4	10.5	10.4
Sovereign	2,115	5.7	6.7	4.5	3.4
Hudson City	1,202	3.3	3.7	3.5	2.9
Sun Bancorp	1,125	3.0	2.5	2.0	1.1
OceanFirst	979	2.7	2.7	2.6	2.6
Hudson United	878	2.4	1.8	-	-
Yardville National	849	2.3	1.8	1.3	1.0
Fulton	768	2.1	1.5	1.4	.6

*Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren counties.

**Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean and Salem counties.

Source: SNL Securities LC, Charlottesville, Virginia.

In South Jersey, Fleet is still the leader, but a little less dominant, and the overall structure is different; primarily because a "big three" has been turned into a "big four." Commerce has "crashed the party," and its $4 billion of South Jersey deposits in mid-2000 has moved it ahead of PNC into third place with an 11.1% deposit share. Thus, in South Jersey there are four banks – Fleet, First Union, Commerce and PNC – with deposits shares in excess of 10% while in North Jersey there are only two, Fleet and First Union.

It also seems only a matter of time before Commerce catches First Union in deposit share – and Fleet may not be far behind. In just two years, Commerce has narrowed the deposit share gap with a sliding First Union from 12.3 to 3.4 percentage points.

The separation of the North and South Jersey deposit share information also highlights two different First Unions. In North Jersey, where First Union inherited the well-entrenched position of First Fidelity, it not only has held its deposit share in recent years, but even had a modest increase – i.e., 10.9% in 1996 to 11.3% in 2000. In South Jersey, where it owes much of its position to the acquisition of a fractious CoreStates that had serious internal problems, First Union has been in a virtual freefall with deposit share having slid from 20.3% in 1998 to 14.5% in 2000.

What can be expected in the future relative to New Jersey banking? The most obvious answer is surprises. No one in 1990 would have guessed that ten years later Fleet, First Union and PNC would be the "big three" of New Jersey banking; Hudson City, Commerce and Valley National would be the largest banks based in the state; two investment banking firms, Merrill Lynch and TD Waterhouse, would have New Jersey thrift subsidiaries that had more than $11 billion in combined deposits; and no New York City bank would have more than a 2% deposit share. Also, no one in 2000 would have guessed a troubled First Union would compound its problems by acquiring Wachovia.

Surprises would not be surprises if they could be predicted, and while present trends among banking leaders should continue - i.e., Commerce and other local banking leaders gaining share and First Union continuing its free fall - the elements for sudden changes also are there. It could even be argued that sudden changes when they involve large bank mergers are a continuation of "present trends," <u>and</u> it would be a "surprise" if the other members of the "big three" – Fleet and PNC – also were not involved in a major mergers in the next two years; and First Union may not be through.

First Union is in the unenviable position of underperforming and falling behind the other big banks as the economy weakens, and acquiring Wachovia is no certain panacea. It will be hardpressed to "catch up" sufficiently to satisfy investors, which usually means a sale, but this deal may have made it "too big to sell." The merger increases antitrust problems for Bank of America, the only potential buyer that would have large cost savings, and it is doubtful anyone else wants such a big branch network in markets in which First Union is generally "fourth best" behind Bank of America, BB&T and SunTrust. Thus, even if it continues to slide, First Union may "muddle through" to the detriment of its investors as Bank of America did in the eighties and Citibank did in the early nineties.

PNC has not matched the growth of one-time peers such as First Union and Fleet, but is a "quiet" success story as it transforms itself into a diversified financial institution. It already is getting 57% of its revenues from fees, and this makes it an attractive acquisition candidate. While it, like Mellon, has clung to a "Pittsburgh first" attitude toward mergers, its size makes it likely that at some point it will get an offer investors will not allow it to refuse. If it sells, the usual suspects – Bank of America, Fleet and Wells Fargo – would be in line, but they could have some interesting company from across the ocean. PNC is a good fit for HSBC, ABN AMRO and maybe Allianz can be added to the list in light of its recently announced acquisition of the Dresdener Bank.

Fleet has more staying power than First Union and PNC with revenues in excess of $17 billion and 2000 profits, including Summit, of almost $4 billion, but it also never goes more than a couple of years without a big merger; and it is not "written in stone" that it will always be the buyer. It, much more so than PNC, would be an American partner that would really put an HSBC, Allianz or Deutsche Bank near the top of the global game. Fleet's recent acquisition of Summit also indicates it cannot resist the right bank merger, no matter what it says to the press, which would suggest PNC and Mellon are possible partners, but in its reach for diversification, firms such as Fidelity Investments, John Hancock and Marsh & McLennan are even more likely candidates.

No matter what Fleet does mergerwise, it is a "given" that it will lose substantial deposit share in New Jersey in the next couple of years. When major players in a state merge, it is inevitable that some customers will go elsewhere, and branch consolidations and divestitures add to this process. Fleet, also, as good a bank as it is, is not "local" like Summit nor is it likely to be as customer friendly.

While none of the above, other than the Fleet market share decline, may happen, there is no question but that New Jersey banking is dominated by three players that are not yet in their final form or certain survivors. This suggests more changes at the top, and that the leadership in New Jersey banking five or ten years from now may not look much like it does today.

By 2010, there could be a New Jersey banking elite that includes Citigroup, a Fleet or HSBC, and maybe even First Union, that still will be losing business to local banks even as they become more important diversified global financial companies. The local elite also could include a Commerce carrying convenience to an even higher level. In the nearterm, if not all the way to 2010, it is almost certain that the large banks, particularly Fleet and First Union, will continue to lose retail banking business, including small business lending, to Commerce, Valley National, Hudson City and the best of the community banks.

Deposit Share in North Jersey*

	Deposits 2000 (In mill.)	Market Share June 30, 2000	1999	1998	1996
Market Leaders					
Fleet	$ 28,168	24.7%	7.3%	6.7%	8.5%
First Union	12,933	11.3	11.1	11.1	10.9
Subtotal	$ 41,101	36.0%	18.4%	17.8%	19.4%
Second Tier					
PNC	$ 8,562	7.5%	7.4%	7.2%	7.5%
Hudson City	5,627	4.9	5.6	5.4	4.4
Valley National	5,057	4.4	4.8	4.4	4.1
Sovereign	4,370	3.8	4.2	4.7	2.4
Subtotal	$ 23,616	20.6%	22.0%	21.7%	18.4%
Other Large					
Bank of New York	$ 2,973	2.6%	2.8%	3.0%	3.3%
Trust Co. of New Jersey	2,597	2.3	2.4	2.3	2.2
J.P. Morgan Chase	2,453	2.2	2.2	2.2	2.3
Dime	2,110	1.9	2.1	1.9	2.0
Provident Savings	1,965	1.7	1.8	1.6	1.5
Investors Bancorp	1,940	1.7	1.9	1.9	1.8
Hudson United	1,739	1.5	1.7	1.5	1.5
Ocwen	1,641	1.4	1.6	2.0	1.5
United National	1,500	1.3	1.4	1.0	.8
Columbia Savings	1,407	1.2	1.2	1.2	1.0
Commerce	1,395	1.2	1.0	.5	-
First Sentinel	1,196	1.1	1.1	.9	.8
Amboy National	1,091	1.0	1.0	1.0	.9
PennFed	993	.9	.9	.9	.8
Independence Community	990	.9	-	-	-
Subtotal	$ 25,990	22.9%	23.1%	21.9%	20.4%
Other Banks	$ 10,621	9.3%	23.4%	24.1%	23.5%
Other Thrifts	8,281	7.3	9.1	10.6	14.5
Credit Unions	4,463	3.9	4.0	3.9	3.8
Total	$114,072	100.0%	100.0%	100.0%	100.0%

*Bergen, Essex, Hudson, Hunterdon, Middlesex, Monmouth, Morris, Passaic, Somerset, Sussex, Union and Warren counties.

Source: SNL Securities LC, Charlottesville, Virginia.

Deposit Share in South Jersey*

	Deposits 2000 (In mill.)	Market Share June 30, 2000	1999	1998	1996
Market Leaders					
Fleet	$ 6,826	18.6%	3.1%	3.1%	4.2%
First Union	5,325	14.5	16.7	20.3	9.2
Commerce	4,080	11.1	9.7	8.0	6.4
PNC	3,888	10.6	10.4	10.5	10.4
Subtotal	$20,119	54.8%	39.9%	41.9%	30.2%
Second Tier					
Sovereign	$ 2,115	5.7%	6.7%	4.5%	3.4%
Hudson City	1,202	3.3	3.7	3.5	2.9
Sun Bancorp	1,125	3.0	2.5	2.0	1.1
OceanFirst	979	2.7	2.7	2.6	2.6
Subtotal	$ 5,421	14.7%	15.6%	12.6%	10.0%
Other Large					
Hudson United	$ 878	2.4%	1.8%	-	-
Yardville National	849	2.3	1.8	1.3%	1.0%
Fulton	768	2.1	1.5	1.4	.6
FMS	641	1.7	1.6	1.5	1.3
Independent Community	471	1.3	-	-	-
Roma Federal	440	1.2	1.3	1.2	1.3
Minotola National	401	1.1	1.1	1.0	.9
Cape Savings	318	.8	.9	.8	.9
Susquehanna	298	.8	.8	.8	-
Newfield Bancorp	285	.8	.7	.7	.6
OC Financial	258	.7	.7	.6	.5
Mellon	253	.7	.3	.6	.6
Subtotal	$ 5,860	15.9%	12.5%	9.9%	7.7%
Other Banks	$ 1,412	3.8%	21.0%	20.7%	28.3%
Other Thrifts	2,842	7.7	7.9	12.0	21.0
Credit Unions	1,126	3.1	3.1	2.9	2.8
Total	$36,780	100.0%	100.0%	100.0%	100.0%

*Atlantic, Burlington, Camden, Cape May, Cumberland, Gloucester, Mercer, Ocean and Salem counties.

Source: SNL Securities LC, Charlottesville, Virginia.

Danielson Associates Inc.

Leaders in Acquisition Advisory Services

1996-2001* Bank Acquisitions in the Middle Atlantic and Northeast**
Leading Financial Advisor Rankings - Sell Side

Rank	Adviser	Headquarters	Number of Deals Announced	Aggregate Deal Value (In millions)
1.	Merrill Lynch	New York	3	$24,451
2.	Morgan Stanley	New York	3	20,389
3.	Credit Suisse First Boston	New York	2	19,723
4.	Keefe, Bruyette & Woods	New York	12	8,758
5.	Goldman Sachs	New York	2	8,623
6.	J.P. Morgan	New York	6	7,660
7.	Sandler O'Neill	New York	12	3,663
8.	**Danielson Associates**	**Rockville, Md.**	**23**	**2,230**
9.	Fox-Pitt Kelton	New York	4	1,765
10.	Wheat First Union	Charlotte, N.C.	4	1,643
11.	Berwind Financial	Philadelphia, Pa.	18	1,030
12.	Lazard Freres	New York	1	950
13.	McConnell Budd & Downes	Morristown, N.J.	10	907
14.	McDonald Investment	Cleveland, Oh.	5	854
15.	Baxter Fentriss	Richmond, Va.	9	843
16.	Austin Associates	Toledo, Oh.	6	682
17.	Scott & Stringfellow	Richmond, Va.	18	517
18.	Orr Group	Winston-Salem, N.C.	5	496
19.	Friedman Billings Ramsey	Arlington, Va.	4	469
20.	CIBC World Markets	New York	2	439

*January 1, 1996 through March 9, 2001.
**Includes East Coast states from South Carolina north plus Ohio.

Source: SNL Securities LC, Charlottesville, Virginia.

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