

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

MELLON BANK CORP

CIK: **64782** | IRS No.: **251233834** | State of Incorporation: **PA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **001-07410** | Film No.: **94500548**
SIC: **6021** National commercial banks

Business Address
*ONE MELLON BANK CENTER
500 GRANT ST
PITTSBURGH PA 15258-0001
4122345000*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) - January 5, 1994

MELLON BANK CORPORATION

(Exact name of registrant as specified in charter)

Pennsylvania (State or other jurisdiction of incorporation)	1-7410 (Commission File Number)	25-1233834 (I.R.S. Employer Identification No.)
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One Mellon Bank Center 500 Grant Street Pittsburgh, Pennsylvania (Address of principal executive offices)	15258 (Zip code)
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Registrant's telephone number, including area code - (412) 234-5000

ITEM 5. OTHER EVENTS

Mellon Bank Corporation (the "Corporation") announced that it has reached a settlement with Smith Barney Shearson Inc. in connection with litigation concerning the provision of administration services to various mutual funds affiliated with Smith Barney.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

Exhibit

Number	Description
99.1	Press release dated January 5, 1994, of Mellon Bank Corporation announcing that a settlement has been reached between the Corporation and Smith Barney Shearson Inc. in connection with the mutual fund administration litigation initiated by Mellon in September of 1993.

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MELLON BANK CORPORATION

Date: January 6, 1994

By: /s/ James M. Gockley
James M. Gockley
Assistant General
Counsel and Secretary

EXHIBIT INDEX

Number	Description	Method of Filing
99.1	Press Release dated January 5, 1994	Filed herewith

MELLON

TRAVELERS

ANALYSTS

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412-234-4633

ANALYSTS

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MEDIA (SMITH BARNEY)

Bob Connor
212-698-3123

Corporate Affairs Group
One Mellon Bank Center
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FOR IMMEDIATE RELEASE

MELLON, SMITH BARNEY REACH SETTLEMENT IN MUTUAL FUND
ADMINISTRATION CASE

PITTSBURGH, Jan. 5, 1994 -- Mellon Bank Corporation and Smith Barney Shearson Inc. announced today that they have settled their litigation concerning the provision of administration services to various mutual funds affiliated with Smith Barney.

Under terms of the settlement agreement, which will remain in effect through May 2000, the companies will work together to provide administration services to certain funds affiliated with Smith Barney. Smith Barney will seek to be appointed administrator for certain of its affiliated funds, in addition to its current roles as investment adviser and distributor. Smith Barney would, in turn, enter into sub-administration agreements with Mellon for certain administration services.

Incorporated in the settlement agreement are all Smith Barney Shearson funds (formerly known as Shearson Lehman funds) that existed prior to Smith Barney's March 12, 1993, agreement to purchase Shearson Lehman Brothers' mutual fund and brokerage businesses, as well as Smith Barney Shearson-sponsored funds covered by a Dec. 1, 1993 court decision regarding Smith Barney's non-compete and other obligations to Mellon resulting from Mellon's acquisition of The Boston Company.

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Fees for the services provided by both companies will be based on total assets in the funds. Based on current fund asset levels and anticipated growth in the funds' assets, Mellon expects that 1994 revenues from mutual fund administration activities relating to the Smith Barney Shearson funds should be marginally lower than those expected for 1994 immediately prior to litigation. However, Mellon expects that, in subsequent years, revenues from such activities should exceed those expected immediately prior to litigation.

"Throughout the litigation process, we have been guided by our determination to protect Mellon's position in the mutual fund administration business. With this settlement, we have met that objective. We have preserved our relationship with the Smith Barney Shearson fund family into the next century, and will benefit from the ongoing growth of one of the nation's premier fund families," said Frank V. Cahouet, chairman, president and chief executive officer of Mellon Bank Corporation. "We're confident that, under the leadership of Sandy Weill and his team, this fund family will continue its impressive record of growth."

Sanford I. Weill, chairman of The Travelers, parent company of Smith Barney Shearson, said, "We are pleased to have resolved this highly complex matter in a mutually satisfactory manner. We believe the new arrangement not only serves the best interests of the mutual funds' shareholders but also represents a practical and positive relationship for Smith Barney Shearson and Mellon Bank Corporation as service providers to the funds."

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