

COPY  
THE COMPTROLLER OF THE CURRENCY  
Washington

April 13, 1939

Board of Governors,  
Federal Reserve System,  
Washington, D. C.

Gentlemen:

You will please find enclosed herewith draft of a proposed letter to be submitted by the directorate of the Bank of America to the Comptroller of the Currency. In this proposed letter the Bank of America would agree to declare no dividend which, in effect, had not previously been approved by the Federal Reserve Board, the Federal Deposit Insurance Corporation and the Comptroller's Office.

Will you advise me, please, whether the Federal Reserve Board is prepared to assume this responsibility, and further, the opinion of the Board as to the procedure outlined therein?

Very sincerely yours,

(Signed) Preston Delano

Preston Delano  
Comptroller

My dear Mr. Comptroller:

I am writing you with reference to negotiations which have been going forward between the Bank of America N. T. & S. A., the Treasury Department and the R. F. C. for increasing the capital funds of the Bank. Particular reference is made to a letter dated February 25, 1939, addressed to me by the Chairman of the R. F. C., and my reply dated April 3, 1939, in which application was made on behalf of our stockholders for a loan or loans of up to \$25,000,000 to be made by the R. F. C. to the stockholders of the Bank of America N. T. & S. A. individually or in group, the money to be used by the stockholders to subscribe for any increase in the capital stock of the Bank that may be determined upon and approved by the Comptroller of the Currency. I understand that copies of these letters have been furnished to you.

As a condition to any loan which the R. F. C. may make pursuant to these letters, the Bank will agree to declare no further dividend if in the opinion of either the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation the payment of such dividend would impair the capital stock of the Bank or would constitute an unsafe or unsound banking practice. In

order to facilitate carrying out this agreement, the Bank will notify the Comptroller of the Currency within a reasonable time before any such dividend is declared of the contemplated rate of such dividend.

Copies of this letter have been forwarded to the R. F. C., the F. D. I. C., and the Board of Governors of the Federal Reserve System.

Sincerely yours,

L. M. Giannini, President  
Bank of America N.T. & S.A.

Honorable Preston Delano,  
Comptroller of the Currency,  
Treasury Department,  
Washington, D. C.