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January 23, 1940

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

Dear Sir:

I have the honor to acknowledge receipt from you of a communication dated January 11, 1940, which is denominated "Order to Show Cause and for Hearing" to determine certain matters with respect to the Bank of America National Trust and Savings Association of San Francisco, California, of which bank I am a director. It is my purpose as a director of the bank fully to perform every obligation and to discharge all responsibilities which such directorship entails. In order to be certain that no opportunity is neglected to establish and maintain proper relations with the Federal authority charged with the administration of the law under which the bank is operating, I should, in respect to the above mentioned communication, appreciate receiving from you information which might enable me better to cooperate with your office in the discharge of our separate responsibilities. I might add that the other directors of the bank with whom I have discussed your communication, approach the questions presented in similar spirit. I feel that any information you can give me in response to the following inquiries will enable me to discharge my responsibility with greater assurance:

1. Inasmuch as I have no knowledge of any law or regulations pertaining to the office of the Comptroller of the Currency which authorize hearings to be held by the Comptroller or by his personal representatives touching the matters referred to in your communication, I should like to inquire whether at the hearing you have set for the 14th day of February, 1940, witnesses will be sworn and examined. What rules of evidence will be in force? Will the Comptroller at such hearing be represented by counsel? Will the Comptroller promptly advise me as to the contemplated rules of procedure intended to govern at the proposed hearing?
2. What specifically is your authority for issuing such a communication?
3. If you, as Comptroller of the Currency, have determined to publish the report of examination of the bank, will you specify in advance of the hearing the legal conditions or requirements which have not been complied with and which would constitute legal ground for such publication?
4. In view of the correspondence between your office and the bank relative to proceedings for the removal of directors and officers pursuant to Section 30 of the Banking Act of 1933, what further assurance would

the Comptroller desire of the willingness of the directors and officers of the bank to submit to and participate in proceedings under said Section 30 of the Banking Act of 1933? I am not aware that any director or officer of the bank has any reluctance to submit his conduct and his qualifications to the scrutiny of the tribunal designated by law to pass judgment on such matters.

5. I am at a loss to know how to proceed in respect to the question of whatever other or further action you might take as provided by law unless I were advised in advance of some other or further action which might be contemplated. Perhaps if you would indicate the character of any other or further action which the circumstances, as you may conceive them, might legally warrant, it might be possible to offer facts and suggestions which would have a proper bearing upon the exercise of your discretion or duty. But I must recognize that you are responsible for the administration of the office of the Comptroller of the Currency under the direction of the Secretary of the Treasury and I am not in a position to volunteer advice as to how the office should be conducted.
6. At the conclusion of the hearing before your special representative, is it contemplated that he shall make findings of law and fact, and recommendations to guide you in the performance of your duties? If so, would you have any objection to the directors or the bank appointing a special representative of equal dignity and experience who might likewise be present throughout the hearing and to whom would be made available all the evidence, records and files which it is contemplated will be available to your representative, and who might likewise submit findings and recommendations deemed warranted and appropriate?

Respectfully,

(signed) Fred L. Dreher

FLD/M
AIRMAIL