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(letterhead of)

THE COMPTROLLER OF THE CURRENCY

Washington

March 29, 1940

Honorable Marriner S. Eccles,
Chairman, Board of Governors,
Federal Reserve System,
Washington, D. C.

My dear Mr. Chairman:

For your information there is transmitted to you herewith copy of the following correspondence exchanged with the Bank of America National Trust and Savings Association:

- March 25, 1940 - Letter from Mr. R. P. A. Everard, Secretary, to the Comptroller of the Currency
- March 28, 1940 - Wire from Mr. R. P. A. Everard, Secretary, to the Comptroller
- March 28, 1940 - Night letter from Mr. R. P. A. Everard, Secretary, to the Comptroller
- March 29, 1940 - Letter from the Comptroller to Mr. Everard.

Very sincerely yours,

(signed) Preston Delano

Comptroller.

**BANK OF AMERICA
National Trust and Savings Association**

SAN FRANCISCO HEADQUARTERS

San Francisco, California

March 25, 1940

**Comptroller of the Currency,
Treasury Department,
Washington, D. C.**

Dear Sir:

**I am enclosing certified excerpts from
minutes of proceedings of meetings of the Board of
Directors of Bank of America National Trust and
Savings Association held on March 12, 1940, and
on March 14, 1940.**

Respectfully,

(Signed) R. P. A. EVERARD

Secretary of the Board of Directors.

Enclosures.

VIA AIR MAIL

The President reported on his recent visit to Washington in company with Counsel, and the results of the several conferences which he and Counsel had had with members of the Comptroller's office, the Treasury Department, the F. D. I. C., and the Board of Governors of the Federal Reserve System. He read to the meeting the following communications:

Letter addressed to the Comptroller of the Currency by O. K. Cushing under date of February 14, 1940;

Letter addressed to O. K. Cushing by C. B. Upham, Deputy Comptroller of the Currency, under date of February 16, 1940;

Letter addressed to C. B. Upham, Deputy Comptroller of the Currency, by L. M. Giannini, President, under date of February 20, 1940.

He also read a memorandum of requirements with respect to Bank of America National Trust and Savings Association presented by the Comptroller's office at the first meeting, and the Bank's response to such memorandum. He then read a letter addressed to him, as President, by Preston Delano, Comptroller of the Currency, under date of February 26, 1940, and a memorandum of requirements of the Comptroller of the Currency which accompanied said letter of February 26, 1940, as a final proposal.

The President referred to a meeting on March 8, 1940, in the office of the Under-Secretary of the Treasury, in which he, Mr. Bell, Under-Secretary of the Treasury; Mr. Cushing, Counsel for the Bank, and Mr. Foley, Counsel for the Comptroller's Office, participated, and he read to the meeting a copy of a report of the meeting prepared by the Treasury Department.

The President referred to the proposed new issue of stock by the Bank and led a discussion on the subject of an underwriting for such issue.

He presented a statement indicating the estimated earnings of the Bank during the present year, and a forecast of future earnings over a considerable period, in which provision was made for the cost of servicing the new issue.

The requirements of the Comptroller of the Currency as presented by the President were discussed, and, following the suggestion of the President, on motion duly made, seconded and carried, a committee composed of the following members was appointed for the purpose of analyzing and considering said requirements, studying proposals for underwriting the new issue of capital stock, and making recommendations relating thereto to the Board of Directors at its next meeting, to be shortly convened:

Marshal Hale
Leon Bocqueraz
Dr. G. E. Caglieri
L. M. Giannini

C. N. Hawkins
H. A. Mazzera
Wm. Wallace Mein

**I, R. P. A. EVERARD, the duly elected and qualified Secretary of
BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a National Banking
Association organized and existing under and by virtue of the laws of the**

United States of America, and having its principal place of business in the City and County of San Francisco in the State of California, hereby certify and declare that the foregoing is a true and correct excerpt from the minutes of the proceedings of the Regular Monthly Meeting of the Board of Directors of said Association held on March 12, 1940.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Association on this 25th day of March, 1940.

(Signed) R. P. A. EVERARD

Secretary of BANK OF AMERICA NATIONAL
TRUST AND SAVINGS ASSOCIATION

The President read to the meeting several communications received from the Chairman of the Board relating to the issues between the Bank and the Comptroller of the Currency, and requested Mr. Marshal Hale, Chairman of the Special Committee appointed by the Board of Directors on March 12, 1940, to render his report on the action taken by the committee at its meetings held on March 13, 1940.

Mr. Hale thereupon read to the meeting the report of the committee, a copy of which is as follows:

"San Francisco, California
March 13, 1940

To:

The Board of Directors,
Bank of America N. T. & S: A.,
San Francisco, California.

Gentlemen:

The Committee appointed by the Board of Directors at its Regular Meeting held on March 12, 1940, for the purpose of analyzing and considering the latest requirements of the Comptroller of the Currency presented to the Board of Directors at said meeting by the President, held a meeting this day and discussed the subject.

The Committee recommend the acceptance of the requirements of the Comptroller of the Currency as presented to the meeting, and to the Board of Directors, after taking into consideration the recommendation of the Chairman of the Board and the statement of the President of the Bank that the acceptance of the program of requirements was strongly recommended by Messrs. Eccles, McKee, Crowley, Delano, and Jones.

The Committee discussed the desirability of giving publicity to the Comptroller's requirements, and now recommend that the requirements of the Comptroller be released to the press for publication. In arriving at this decision the Committee has taken into consideration the recommendation of the Chairman of the Board that such procedure be followed in keeping with the President's statement to the stockholders at their last Annual Meeting.

Respectfully,

MARSHAL HALE

Chairman - Special Committee."

Mr. Hale informed the Board in some detail of the committee's discussions; and following a general discussion by the Board of the committee's report, and the subject thereof, it was regularly moved, seconded, and carried, that said report be adopted and the requirements referred to therein be approved.

I, R. P. A. EVERARD, the duly elected and qualified Secretary of BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION, a National Banking Association organized and existing under and by virtue of the laws of the United States of America, and having its principal place of business in the City and County of San Francisco in the State of California, hereby certify and declare that the foregoing is a true and correct excerpt from the minutes of the proceedings of an Adjourned Regular Meeting of the Board of Directors of said Association held on March 14, 1940.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of said Association on this 25th day of March 1940.

/S/ R. P. A. EVERARD
Secretary of BANK OF AMERICA NATIONAL
TRUST AND SAVINGS ASSOCIATION

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1940 MAR 28 PM 7 07

HON PRESTON DELANO

WASHN DC

CERTIFIED COPY OF MINUTES APPROVING YOUR PROGRAM OF MARCH 6
AIRMAILED TO YOU MARCH 25. PLEASE CONSIDER THIS WIRE AS AN
APPLICATION FOR YOUR APPROVAL OF THE PROPOSED INCREASE OF
CAPITAL FUNDS AS PROVIDED IN THE REQUIREMENTS.

R P A EVERARD SECRETARY
BANK OF AMERICA NT AND SA

702P

TREASURY DEPARTMENT

MARCH 29, 1940

8:47 A. M.

SAN FRANCISCO CALIF. MARCH 28, 1940

HON PRESTON DELANO
COMPTROLLER OF THE CURRENCY

WE HAVE TODAY WIRED RECONSTRUCTION FINANCE CORPORATION AS FOLLOWS QUOTE:
PURSUANT TO AN UNDERSTANDING WITH THE COMPTROLLER OF THE CURRENCY
APPLICATION IS HEREBY MADE ON BEHALF OF BANK OF AMERICA NT & SA TO YOU
FOR A COMMITMENT TO PURCHASE OR LEND UPON PREFERRED STOCK OF THE BANK
UP TO THIRTY MILLION DOLLARS IN CASE THE BANK SHOULD HAVE OCCASION TO
CALL UPON YOU FOR THAT PURPOSE. AS WE MAY OFFER THE PREFERRED STOCK
THROUGH AN UNDERWRITERS SYNDICATE WE REQUEST THAT NO PUBLICITY BE GIVEN
TO THIS APPLICATION. ON MARCH 16 THE BANK LEFT WITH YOUR LEGAL DEPARTMENT
PROPOSED AMENDMENTS TO ITS ARTICLES OF ASSOCIATION PROVIDING FOR THE
ISSUANCE OF SIX HUNDRED THOUSAND SHARES OF PREFERRED STOCK OF A PAR
VALUE OF \$12.50 PER SHARE WHICH IT IS PROPOSED TO SELL AT FIFTY DOLLARS
PER SHARE THUS PROVIDING ADDITIONAL CAPITAL OF SEVEN MILLION FIVE
HUNDRED THOUSAND DOLLARS AND ADDITIONAL SURPLUS OF TWENTY TWO MILLION
FIVE HUNDRED THOUSAND. SOME SUGGESTED CHANGES IN THE PROPOSED ARTICLES
HAVE BEEN AIR MAILED TO YOU FROM SAN FRANCISCO TODAY. WE SHALL APPRECIATE
ACTION ON THIS REQUEST PRIOR TO APRIL FIRST. R. P. A. EVERARD SECRETARY
BANK OF AMERICA NT & SA UNQUOTE.

R P A EVERARD SECRETARY
BANK OF AMERICA NT & SA 840 a

March 29, 1940

Mr. R. P. A. Everard, Secretary,
Board of Directors,
Bank of America National Trust
and Savings Association,
San Francisco, California.

Dear Mr. Everard:

Permit me to acknowledge receipt of your letter dated March 25, 1940, enclosing certified excerpts from the minutes of the proceedings of meetings of the Board of Directors of Bank of America National Trust and Savings Association held on March 12, 1940, and on March 14, 1940.

It is noted that while the "Requirements of the Comptroller of the Currency" are referred to in the approving resolution passed by your Board, the text of the document in question is not spread upon the minutes. Inasmuch as there were several drafts before the final one of March 6, 1940, was adopted, I believe it would be desirable to have your next meeting of the Board spread upon the minutes the text of these final "Requirements of the Comptroller of the Currency" which was approved at your meeting on March 14, 1940, and which was later released to the press by your directorate. This will prevent any confusion, and I would appreciate having a copy of the minutes which thus amplify your resolution of March 14, 1940.

Very truly yours,

Preston Delano
Comptroller