

April 19, 1940

MEMORANDUM

Mr. Cushing phoned the Comptroller from San Francisco at 12:20. Mr. Cushing stated he hoped the bank's redraft of the articles of association delivered to the Comptroller this morning by Mr. Collins would be acceptable and that he could be advised today of the decision. He said the bank was working against time in the matter because they were anxious to get the money in the bank by May 31, 1940, and wanted to send a copy of the articles as finally approved with their notice of the stockholders' meeting. Mr. Delano advised Mr. Cushing that this was rather short notice; that Mr. Mulrenay was out of town for the day and probably for the weekend, but that he would expedite the matter all possible.

Mr. Delano asked Mr. Cushing if he would send this office a copy of the agreement which the bank had made with the underwriters, suggesting it be sent by airmail this afternoon. Mr. Delano inquired as to whom the underwriters were, and Mr. Cushing informed him the syndicate would be headed by Otis and Company of Cleveland with between 40 and 50 firms to be in the group. Mr. Cushing stated that Otis and Company would underwrite 300,000 shares out of the 600,000, the balance to be taken by other stockholders or Giannini interests. The underwriters plan to sell

the stock at \$50 per share and will be compensated for their underwriting by a direct payment out of undivided profits. This payment out of undivided profits will amount to something more than \$300,000, depending on how many of the stockholders exercise their pre-emptive rights. Mr. Cushing advised that he assured the bank would have no objection to forwarding the Comptroller a copy of the agreement with the underwriters but that he (Mr. Cushing) had not received their permission to do so.
