

To the Comptroller of the Currency,  
Washington, D. C.

Sir:

The committee appointed pursuant to the provisions of paragraph 5 of the Agreement of March 6, 1940 between the Comptroller of the Currency and the Bank of America National Trust and Savings Association has received from that bank a letter dated March 11, 1941, as well as Exhibit "A" referred to therein. Copies of the letter and the exhibit are attached.

The letter proposes that the bank write down by approximately \$2,000,000 the carrying value of its bank premises which have been under review by this committee. Of this amount, \$1,000,000 is to be charged off before June 30, 1941 and approximately \$1,000,000 during the third quarter of this year (1941). The letter also provides that if the proposal is acceptable, it shall be construed as fulfilling the requirements of paragraph 5 of the agreement referred to as the "Requirements of the Comptroller of the Currency".

There is also attached hereto a copy of a memorandum, dated March 12, 1941, written by Mr. Irwin D. Wright, Chief National Bank Examiner. This memorandum states that Mr. L. M. Giannini, President of the Bank of America National Trust and Savings Association, has informed the Chief National Bank Examiner that, in addition to the \$2,000,000 write-down as provided above, the bank will further reduce its book value of these properties by an amount of approximately \$2,000,000, this latter amount to be written off in two installments of \$1,000,000 each in the first and second halves of the year 1942.

The committee has been unable to arrive at satisfactory valuations of the properties under consideration, for the reason that there has been

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disagreement among the members of the committee as to the interpretation to be applied to paragraph 5 of the agreement. Furthermore, in many instances, the bank has been unable to supply the committee with the necessary information upon which it might establish a proper value.

The committee has, therefore, given careful consideration to the proposal contained in the bank's letter of March 11, 1941, as well as to the memorandum of the Chief National Bank Examiner of March 12, 1941, and has come to the conclusion that, in the circumstances, depreciation to be taken by the Bank of America National Trust and Savings Association of approximately \$4,000,000 is reasonable and the proposal should be accepted as satisfying the provisions of paragraph 5 of the agreement, provided assurances satisfactory to the Comptroller of the Currency are given by the bank that its carrying value of the premises in question will be reduced by approximately \$4,000,000 as outlined above.

The committee so recommends.

It is further recommended that, should the above proposal be accepted, the bank be so advised and that action be taken to discharge this committee.

Respectfully submitted  
for the committee,

(signed) Irwin D. Wright  
Chief National Bank Examiner for the  
Twelfth Federal Reserve District.

(signed) William P. Funsten  
Supervising Examiner, Twelfth Federal  
Deposit Insurance District.

March 13, 1941