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EUGENE MEYER

SUBJECT FILE

FEDERAL RESERVE BOARD
REPORTS-MORRIS PLAN BANK
1929

The STORY *of a*
BANK SERVING THE
PEOPLE

St. Louis

A STORY FOR STOCKHOLDERS

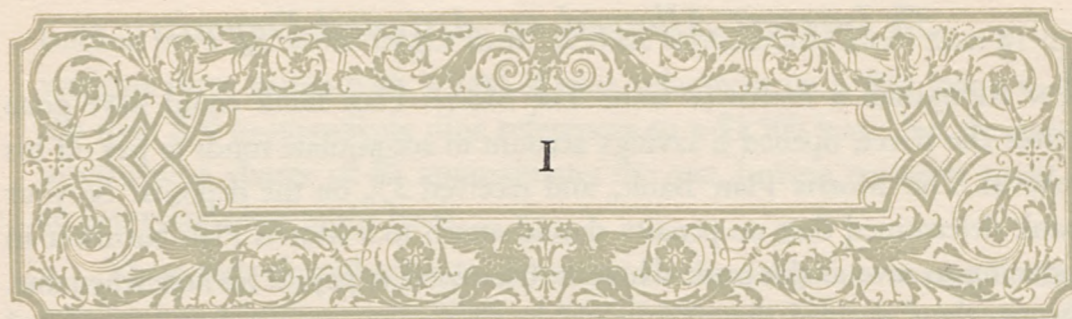
Stockholders . . .

as the real owners of corporations, seldom have presented to them a complete story of their property.

This booklet is designed to place before the stockholders of The Morris Plan Bank of Virginia as complete a picture as may be reduced to writing of just what has been the progress of their institution, its present condition, and its outlook.

A bank lives, grows, and profits as its deposits increase. It is hoped that a careful study of the facts here presented will stimulate the owners of the bank (its stockholders) to spread abroad the fundamental safety, the eager service, the helpful benefit obtainable in patronizing The Morris Plan Bank of Virginia.

Perhaps it may appear unusual for a bank to publish some of the facts and figures contained in the following pages, but it would seem that stockholders above all others should be acquainted with true circumstances.



THE STORY *of a* BANK SERVING THE PEOPLE



IN JUNE, 1922, there appeared announcements in the Richmond street car cards and newspapers that a bank would be opened on the northwest corner of Eighth and Main streets. This bank would be unique in that it would make loans based on "Character as the Prime Collateral." Opening its doors on July 17th, it began quietly to make its way. Solicitors soon obtained over 2,000 savings accounts, and the volume of loans to individuals began to develop. The great majority of loans were made to persons seeking to borrow \$100 to \$300, who offered their notes, in keeping with the bank's regulations, to run for twelve months, endorsed by two friends, relatives, or fellow-workers. At the same time the borrower agreed to open a savings account at the end of a week or two weeks or a month, as determined at the time of the loan. He agreed to deposit in the account at regular intervals $\frac{1}{50}$ or $\frac{1}{24}$ or $\frac{1}{12}$ of the amount of his loan, so that at the end of twelve months there would be on deposit an amount exactly equal to his note. He agreed in writing not to withdraw any funds from this savings account, but assigned it to the bank as additional collateral to his loan for the protection of his co-makers as well as the bank.

That, then, was "The Morris Plan." But at this point your bank made Morris Plan history and set a national precedent for industrial banking development.

*Please note that this is not the story of "The Morris Plan," which has been often told, but the story of *The Morris Plan Bank of Virginia*.

3% Interest Allowed on Assigned Deposits

IN RICHMOND a borrower from The Morris Plan Bank could have gone across the street, opened a savings account to accumulate funds to pay off his loan at The Morris Plan Bank, and received 3% on the deposits. So your bank determined that no penalty should attach to a Morris Plan borrower in agreeing to save at the bank where he borrowed, to pay off his note when due. It was, then, decided that 3% would be allowed on savings deposits required against loans, this interest to be computed on a quarterly basis. On a \$100 loan, beginning with a deposit of but \$2 at the end of a week from the day the loan was made, the borrower had built his balance to \$100 when his loan came due. On this amount he received \$1.12 interest. He paid \$6.00 interest on the \$100 note. So that in receiving \$1.12 back in interest earned, the whole transaction of borrowing \$100 and saving \$2 a week to pay it off, for a whole year cost him actually \$4.88 (4.88%).

Adopted by The National City Bank of New York

IT IS of interest to note that the rate of 6% with 3% interest allowed on assigned deposits was adopted in May, 1928, by The National City Bank of New York—*The Morris Plan Bank of Virginia* being then the only institution in the United States making loans on such an economical basis for the small borrower.

The Investigation Charge

COMING into the bank as a total stranger to borrow \$100, John Jones brought the names and records of two of his friends or relatives to guarantee that his character and earning power were good. He himself gave two references, his co-makers each two, and all three stated their occupation, employer's name, and wage or salary received. Here then were nine calls to be made by telephone, or letter, to ascertain if all the facts given were correct. The cost of this credit investigation is very heavy, and is in no way related to the "rent" of money; that is, interest on money loaned.

To cover this actual cost, a charge of \$1 is made for each \$50 loaned up to \$250 and then \$1 for each additional \$250, until a maximum of \$10 is

reached on a \$1,500 or larger loan. It costs considerably more than \$1 to investigate three names with a total of nine references on a \$50 loan; it costs less than \$10 to investigate nine references on a \$1,500 loan; but the average investigation charge of \$5 approximates the cost, leaving neither a profit nor an appreciable loss to the bank.

These facts should serve to show that the investigation charge is not an interest but a service cost. The proof of this fact is that any borrower offering marketable collateral in the form of bonds, listed stocks, first mortgages, or a savings deposit pass book, has no investigation charge to pay, but the money is loaned to him at a straight 6% interest cost.

If an applicant seeking a loan of \$250 borrowed three \$100 bonds from his friends to put up as collateral, he would save the \$5 investigation cost, as the value of the bonds is already established. If he must have the value of his credit and that of two friends checked up in nine places, he must be willing to bear that additional cost to the bank.

It has taken approximately \$72,000 in advertising costs to carry the message of *The Morris Plan Bank of Virginia* to the public, first as a savings institution of safety and excellent interest return, and second as a proper and economical place to borrow money for sound, constructive purposes, and to spread a clear understanding of what the interest rates are, in that the investigation charge is not an interest cost and that the allowance of interest on assigned deposits makes the interest cost itself extremely reasonable.

Our Principles of Operation

HAPPILY the public rapidly came to appreciate the three fundamental principles on which your bank was established and operated:

- First:* The safety of depositors' funds as a public trust.
- Second:* Service to the savings and borrowing customers.
- Third:* Profit to stockholders.

At the outset, it was true that safety being first and service second, profits were quite small; but these principles have established confidence in the minds of the public both as to the soundness and fairness of the bank. Patronage has come now to swell our operations to such volume that profits, while still a third consideration, are gratifying in their amount.

The National City Bank of New York

the Largest Bank in the United States

Endorses Morris Plan Type of Loan

The National City Bank of New York, with resources exceeding one billion dollars, has established a department for making personal small loans, payable in monthly, semi-monthly or weekly deposits.

Mr. Charles E. Mitchell, President of The National City Bank of New York, stated in the May 3rd issue of The Wall Street Journal that "Our contact with the greater number of small depositors has brought us to an understanding of their problems, their periodic necessitous financial requirements and a realization that to give to them the opportunity of safeguarding their savings by deposit without furnishing on the other hand a means by which they can, under necessity, borrow on reasonable terms, constitutes an unbalanced relationship and points to a lack of comprehensiveness in financial service."

The National City Bank has adopted the same policy used by The Morris Plan Bank of Richmond in allowing interest on the monthly or weekly deposits required against loans. Until the adoption of this policy by The National City Bank, The Morris Plan Bank of Richmond was the only bank in the United States allowing such interest.

The National City Bank is but one of many commercial banks throughout the country that have in the past few years recognized the need of the individual borrower for bank credit by establishing small loan departments.

Mr. Mitchell states that "While it is not our purpose to encourage anyone to borrow except under stress of circumstances, we have faith that loans so made can and will be paid." He also states that loans made will be limited to amounts of \$50 to \$1,000.

The Morris Plan Bank of Richmond has never limited its loans to remedial needs, but has always stressed the use of its facilities for constructive purposes. It has never sought merely to meet necessitous cases but has constantly offered its credit facilities to individuals, firms and corporations for developing and forwarding their proper interests. In so doing, its loans have not been limited, to small amounts, but have ranged in size from \$50 to \$50,000.

As a result The Morris Plan Bank of Richmond, since its organization in July 1922, has loaned more than \$18,000,000—over 66,000 individual transactions, all made for useful and, in the majority of cases, for constructive, upbuilding purposes.

This bank believes that the individual, like the firm and corporation, should receive the most careful attention for all his financial problems, whether they involve questions of necessity or of constructive planning, and it is prepared at all times to render a constructive banking service for the individual in keeping with his ability and requirements as well as to firms and corporations.

The Morris Plan Bank

Petersburg

Richmond

Newport News

Times-Dispatch, May 5, 1928.

PAGE EIGHT

The First Regional Morris Plan Bank

YOUR bank set out on its career as the first regional Morris Plan Bank in the country. This meant that the Richmond bank took over all the investments of The Morris Plan Corporation of America in Morris Plan institutions in the Fifth Federal Reserve District, representing control of four banks and a minority interest in eleven others. In those banks where control was held, reorganization took place from companies to banks, from insignificant quarters to banking atmosphere, with a consequent change in public patronage and confidence and with resulting increased profits.

Where stock control could not be exercised, it proved futile for the bank to hold these stocks, and they were re-sold to The Morris Plan Corporation of America. One of the four banks was later merged with the Richmond bank, leaving three in North Carolina (Greensboro, Raleigh, and Winston-Salem) under our control.

So successful has this program been that The Morris Plan Corporation in its most recent annual statement sets forth that it will undertake to repeat this idea all over the United States.

Trade Acceptances Prove Profitable

ONE of the interesting features which have entered the bank's operation since its organization has been the handling of trade acceptances. Dealers selling goods on the installment plan found that they could, to great advantage, discount their customers' paper with The Morris Plan Bank. They found the public entirely willing to pay the bank directly instead of the dealer, thus relieving the dealer of much accounting cost. This paper was taken from the purchaser in the form of a trade acceptance, signed by the purchaser, endorsed by the dealer and secured by the goods sold. A list of the articles sold, and the paper discounted by the bank, includes furniture, heating plants, electric refrigerators, automobiles, radios, typewriters, washing machines, electrical wiring of houses, installation of bath rooms, screening and weather-stripping, installation of store equipment and factory machinery. This class of business has proved not only unusually safe and free from loss experience, but profitable to the bank.

PAGE NINE

IN the month of January this year, The Morris Plan Bank of Virginia loaned \$823,902. This amount represented 2,803 individual loans, all made for useful and constructive purposes.

A stenographer borrowed \$250 for payment on real estate.

A clerk borrowed \$125 to consolidate bills.

A bank borrowed \$10,000 to meet local seasonal demand for loans.

An architect borrowed \$800 for business expansion.

A grocer borrowed \$500 to increase stock and discount bills.

A school teacher borrowed \$600 to pay doctor's bills, taxes and insurance.

A dentist borrowed \$300 for office equipment.

In the above loans and in the case of every loan considered, the financial problems presented by our customers and prospective customers were carefully studied by our officers in an effort to find a helpful solution.

We cannot solve every problem offered, but the experience of our officers is available to all, regardless of whether they are customers of the bank or not.

In the belief that banking is a mutual business proposition, and that the bank profits equally with its customers, this bank welcomes borrowers seeking credit for useful purposes, regardless of whether they need \$50 or \$50,000.

The Morris Plan Bank of Virginia

241 MAIN STREET

Norfolk—Richmond—Petersburg—Newport News—Roanoke

Norfolk Ledger, February 28, 1929.

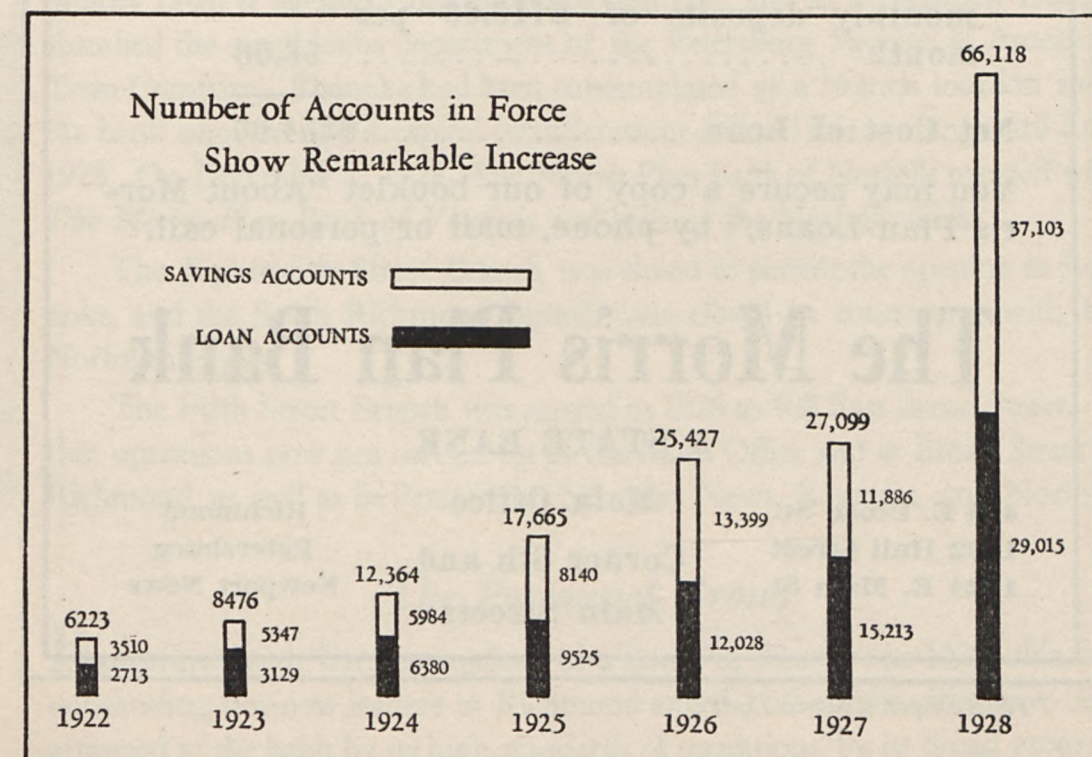
PAGE TEN

Morris Plan Insurance

ANOTHER interesting feature of the bank's operations is the Insurance Plan. Morris Plan borrowers found that the chief objection friends and relatives had to signing notes for them was the danger that during the twelve months' period of the loan the borrower might either die or become disabled. The Morris Plan Insurance Society in New York offered the family and co-makers of borrowers protection against these contingencies through a one-year term insurance policy for the amount of the loan payable to the beneficiary in case of the death of the borrower or in case of his total and permanent disability.

The insurance costs less than five cents a week per hundred dollars. In case of death or disability, The Morris Plan Insurance Society pays the bank the face amount of the note and the bank returns to the borrower's family all the funds he has deposited to pay off his loan. *The Morris Plan Bank of Virginia* has returned to deceased borrowers' families many thousands of dollars, relieving distressing conditions, and has paid large amounts to borrowers who became totally disabled, thus enabling them to meet other obligations.

This protection is entirely optional on the part of the borrower, but is used by borrowers in the case of approximately half the endorsed loans made.



PAGE ELEVEN



A Bank for the Individual

\$5,000 Loans

Well-to-do business and professional men borrow sums of \$1,000, \$5,000 and larger amounts from The Morris Plan Bank because they have been attracted by the 3% interest allowed by this bank on the required monthly deposits against loans.

Example of \$5,000 loan for one year—

Amount of loan	\$5,000
Discount for one year at 6% ..	\$300.00
Investigation fee	10.00
Total Cost	\$310.00
3% quarterly interest allowed on monthly deposits of \$416.66 per month	56.00
Net Cost of Loan	\$254.00

You may secure a copy of our booklet "About Morris Plan Loans," by phone, mail or personal call.

The Morris Plan Bank

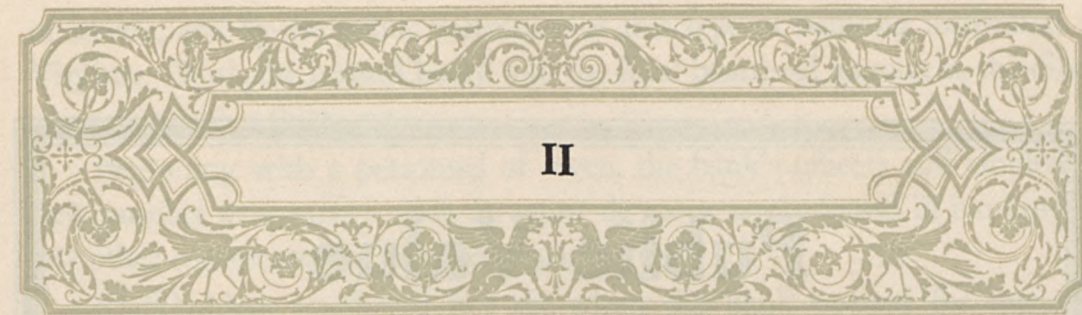
A STATE BANK

408 E. Broad St.
1202 Hull Street
1724 E. Main St.

Main Office
Corner 8th and
Main Streets

Richmond
Petersburg
Newport News

Times-Dispatch, March 25, 1927.



II



WITH this general basis of operations established, the bank set out to widen its field of activity. As early as October, 1922, a branch was opened in Petersburg. In February, 1924, a branch was opened in South Richmond. In January, 1925, the Mechanics and Merchants Savings Association of Newport News was absorbed as a branch in that city. In July, 1924, a branch was opened on Fifth Street in Richmond.

On May 1, 1926, a branch was opened at Eighteenth and Main streets in Richmond. On June 30, 1926, the Petersburg Branch absorbed the Community Loan & Savings Corporation of that city, and in September, 1927, it absorbed the small loans department of the Petersburg Savings & American Trust Company. Roanoke had been contemplated as a branch location since the bank organized, but capital considerations delayed this opening until July, 1928. On December 1, 1928, The Morris Plan Bank of Norfolk merged with *The Morris Plan Bank of Virginia* and became the Norfolk office.

The Eighteenth Street Branch was closed to permit the opening in Roanoke, and the South Richmond Branch was closed in connection with the Norfolk merger.

The Fifth Street Branch was moved in 1926 to 408 East Broad Street. So that operations now are carried on at the Main Office and at Broad Street in Richmond, as well as in Petersburg, Newport News, Roanoke, and Norfolk.

The Personnel Grows

BEGINNING with but the nucleus of a board of directors in 1922, able and outstanding business leaders in Richmond and the other four cities have been attracted to the bank by its high standards of operations, by its broad program

Public Value

PUBLIC value is measured in terms of useful constructive public service. The extent of that usefulness is determined by the demand for such service by the public.

Organized 5½ years ago, this bank has on savings deposit two and three-quarter millions of dollars, an average of \$100 for every man, woman and child of the cities of Richmond, Petersburg and Newport News. It has made over 60,000 loans, amounting to \$16,500,000, all for useful and constructive purposes. It has on its books today an account for every tenth person of these three communities and has served since its organization an average of every third person. Eliminating minors and dependents, this bank has served an average of every family in the three communities.

Banking, once available to only 20% of the people, leaving 80% unserved, is now available and has been used by 80% of the people, leaving perhaps 20% unserved. Public value may be determined by the use and extent of public service.

This bank is dedicated to public service and pledges to the public that its first consideration is safety of funds entrusted to it. Second comes service in meeting the public's need and demand. Third and last comes profit from operations. The growth of this bank has been built around this program and ideal. Sharing generously its profit with its saving depositors, it has attracted thousands of savings customers and millions of dollars of deposits. Returning to its borrowers interest on funds accumulated to pay off loans, it has built up a large clientele. 29,000 active customers attest the public belief of its safety, evidence the genuineness of its service and prove the liberalness of its terms to savers and borrowers alike.

The benefits arising from the use of the facilities of this bank have been reflected in every industry, trade, profession and commercial and financial activity of the communities it serves. But chiefly is the public value of this bank measured by the extent to which it has touched with its constructive influence the lives and homes of our people themselves.

The Morris Plan Bank of Virginia

4%

ON SAVINGS

from day of deposit to day of withdrawal

News Leader, January 28, 1928.

PAGE FOURTEEN

of service, and by the public usefulness of this type of banking institution in Virginia. With the central board and the local boards of managers, the directors now number thirty-nine.

Beginning with a personnel of seven, the bank's officers and employees now number over ninety, with an esprit de corps rarely found in banking or any other commercial or financial organization.

Stockholders numbered but six when the bank opened for business. The number of stockholders now exceeds 525. This has been brought about largely by the sale of additional capital stock. Beginning business with a capital of \$250,000 and a surplus paid in of \$125,000, the capital soon was rearranged to \$300,000 capital and \$75,000 surplus.

The Capital Grows

SMALL infrequent sales of capital stock were made beginning in 1924, until in 1927 the capital was carried to \$400,000. On October 1, 1928, it was increased to \$500,000, and on the occasion of the Norfolk merger it was further increased to \$600,000. Beginning with a capital account of \$375,000, it has grown until on March 30, 1929, it stood capital \$600,000, surplus \$300,000, and undivided profits \$151,861, or a total of \$1,051,861.

With this origin and these principles of operation, and with the board of directors, personnel, branches, the capital account outlined, and the tremendously increased number of stockholder-owners of your bank, what has been its public reception in the past? What is its status today? What outlook has it?

Reproduced on opposite pages are some of the advertisements appearing from time to time outlining the services of the bank. Every effort has been made from the outset never to set forth on paper to the public services or facts that they did not realize upon in entering the doors of the bank. In all dealings with the public the standards set for the management have ever been that they shall be "as advertised."

Young men mostly have been in charge of your bank, with a zeal for public service and with a sympathetic attitude toward human problems; yet in this idealization of bank service they have never lost sight of the requisite safety of public funds, one vital element of which is that the bank be run at a reasonable profit.

PAGE FIFTEEN

Why Have
10,021 New Accounts
 Chosen This Bank
 Since January 1st?

Increase in Savings Accounts Jan. 1st to April 15th	5,689
Increase in Loan Accounts Jan. 1st to April 15th	4,332
TOTAL Net Increase in Accounts	10,021

IN a period of unusually tight money and extremely high interest rates a surprisingly large number of new customers, particularly savings depositors, have chosen the Morris Plan Bank for their accounts.

That this bank actually serves as it seeks to serve is the simplest way to account for such continued and increasingly large use of the services of this bank.

The present use of our services by over 66,000 savings and loan accounts warrants your investigation of these services, to the end that you also can benefit by them. Your investigation is cordially solicited.

4%
ON SAVINGS
 FROM DAY OF
 DEPOSIT TO DAY
 OF WITHDRAWAL

Now
37,000 SAVINGS ACCOUNTS

THE MORRIS PLAN BANK
 of VIRGINIA

Richmond : Petersburg : Newport News : Roanoke : Norfolk

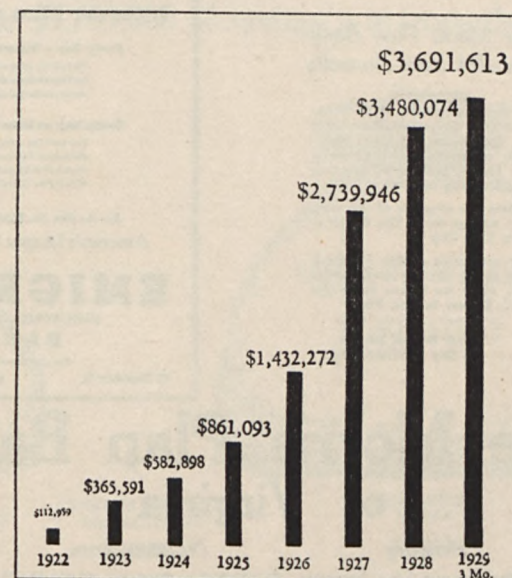
Capital, Surplus, Undivided Profits, \$1,000,000. Resources, \$3,000,000

Times-Dispatch, April 21, 1929.
 News Leader, April 23, 1929.

Public Acceptance

IN RESPONSE to the advertising and solicitation of business, both deposits and loans, the public has continued an ever-increasing patronage of *The Morris Plan Bank of Virginia* to an extent never equalled in this section. The charts of savings growth, of loan volume, of increased total resources, tell graphically year by year how the number of customers has grown from zero on July 17, 1922—just six years and nine months ago—until on April 30, 1929, the accounts being served numbered over 66,000. The savings deposits have grown to more than \$3,750,000, the outstanding loans to \$7,555,000, and the resources to more than \$8,296,000.

Yearly Growth of Savings Deposits



By Way of Comparison

YOU must be aware, to appreciate this rapidity of growth, that there are but three banks in the city of Richmond with a larger amount of savings deposits, and with but one exception these greater sums are the result of many mergers of large institutions whose history runs for more than sixty years.

There are but five out of twenty-one banks in Richmond with greater resources; there are but two banks in Norfolk larger, and but one in Roanoke; while our resources exceed those of any bank in Newport News or Petersburg.

"America's Fairest Interest Plan"

Interest From Day of Deposit
To Day of Withdrawal

Now Available at The Morris Plan Bank
at 4% Interest Compounded Semi-Annually

Upon the passage by the last General Assembly of the banking law limiting the rate of interest on savings deposits to 4%, effective June 18th, 1928, The Morris Plan Bank began a study of methods of interest calculation used by leading banks throughout the country for the purpose of adopting the fairest possible method of calculating interest.

The result of this study has been the adoption of the same plan used by America's largest savings bank, The Emigrant Industrial Savings Bank of New York City.

At the right is reproduced by permission of The Emigrant Industrial Savings Bank a copy of one of their recent advertisements explaining their plan, which we believe the public will agree in calling "America's Fairest Interest Plan."

4% On Savings From Day of Deposit
To Day of Withdrawal!

"INTEREST
From Day of Deposit
to Day of Withdrawal"

America's Fairest
Interest Plan at a Glance

Every Day a Deposit Day—
No rush for the first of the month. No
hustling with bad weather. Interest starts
any day in the year you make a deposit!

Every Day an Interest Day—
You can't lose a single day's interest in
the Emigrant because it is paid right up to
the day of withdrawal—the only Savings
Bank in New York where this holds true.

Just the Plan You Would Expect From
America's Largest Savings Bank

EMIGRANT
INDUSTRIAL SAVINGS
BANK

Two Convenient Offices
51 Chambers St. 434 St. & Lexington Ave.

The Morris Plan Bank
of Virginia

Richmond

Petersburg

Newport News

Roanoke

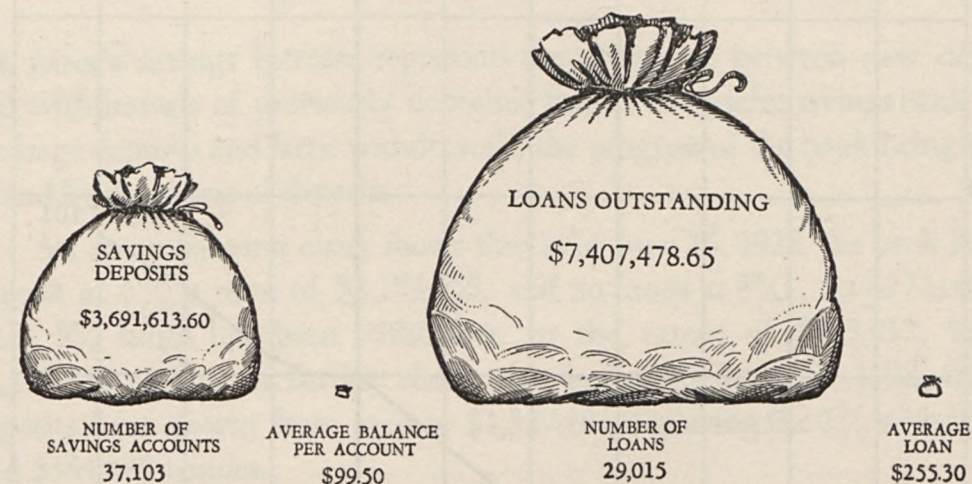
32,000 Savings and Loan Accounts—\$3,000,000 on Savings—\$5,600,000 Resources

News Leader, June 21, 1928.

Widely Distributed Liability

BUT of greater significance to you as a stockholder of *The Morris Plan Bank of Virginia* is that 66,118 accounts are represented in a total balance sheet of \$8,296,000. 37,103 savings accounts, totaling \$3,691,613 of deposits, make an average liability of the bank to its customers of slightly less than \$100. 29,015 loan accounts owe the bank \$7,407,478 or an average liability to the bank of \$255.

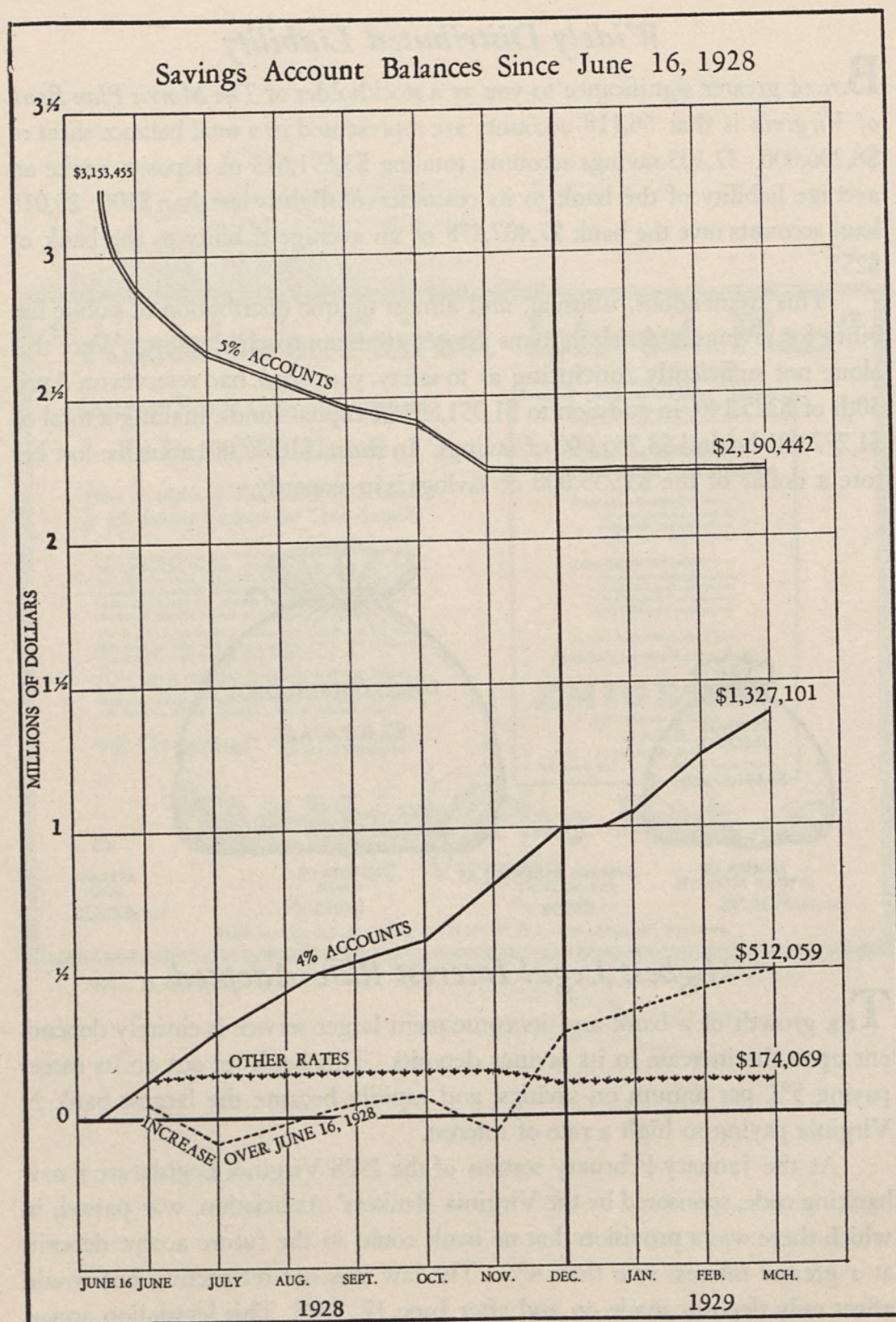
This tremendous, unusual, and almost unique distribution of public liability for savings and risk in loans assures an unapproached safety. Were this alone not sufficiently convincing as to safety, your bank had reserves on April 30th of \$225,140, in addition to \$1,051,861 of capital funds, making a total of \$1,277,001 behind \$3,755,000 of savings. In short, \$1,277,001 must be lost before a dollar of the \$3,755,000 of savings is in jeopardy.



Highest Legal Interest Rate Adopted

THE growth of a bank and its consequent larger service is entirely dependent upon the increase in its savings deposits. This bank set out on its career paying 5% per annum on savings, and rapidly became the largest bank in Virginia paying so high a rate of interest.

At the January-February session of the 1928 Virginia Legislature a new banking code, sponsored by the Virginia Bankers' Association, was passed, in which there was a provision that no bank could in the future accept deposits at a greater interest rate than 4%. The law was not retroactive, but would affect only deposits made on and after June 17, 1928. This legislation appar-



ently would put an end to the rapid increase in The Morris Plan Bank of Virginia savings. But quite the contrary has been the case.

Prohibited from paying more than 4% on savings, *The Morris Plan Bank of Virginia* unhesitatingly decided to allow the legal limit after an investigation showing that ninety per cent of all banks in the United States conducting a savings department allow 4% or more on savings. In New York the large savings banks at present pay 4½%. In New England, the home of the great mutual savings banks, the interest allowed is usually 5%. No unsoundness could attach then to the payment of 4% based on the almost universal experience of savings institutions throughout the country over a great period of years.

Saving Deposits Increase

A BANK'S savings increase represents the difference between new deposits and withdrawals of previously deposited funds. In a useful savings bank there are large deposits and large withdrawals, the progress of the bank being determined by the excess of deposits.

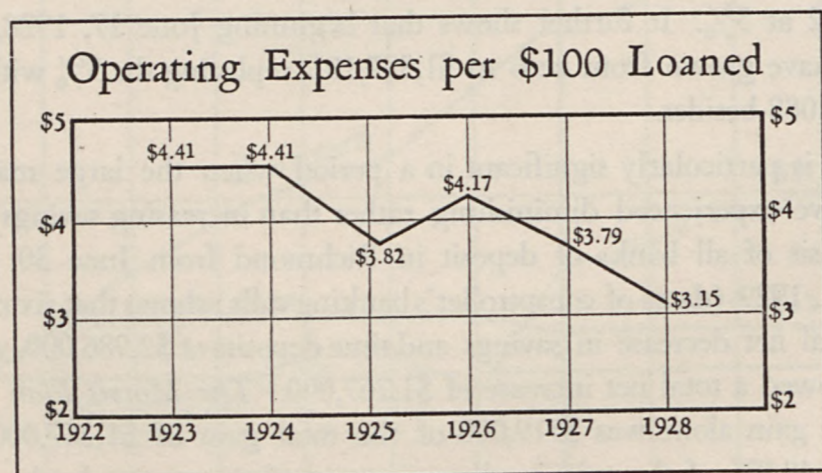
An accompanying chart shows that as of June 16, 1928, the bank had on deposit at 5% a total of \$3,153,455, and no funds at 4%. As of March 30, 1929, 5% funds had been withdrawn to the extent of \$963,013, leaving \$2,190,442 at 5%. It further shows that beginning June 17, 1928, the 4% deposits have grown from zero to \$1,327,101, replacing the 5% withdrawals and \$364,088 besides.

This is particularly significant in a period when the large majority of banks have experienced diminishing rather than increasing savings deposits. An analysis of all banks of deposit in Richmond from June 30, 1928, to March 27, 1929 (dates of comptroller's banking calls) shows that sixteen banks had a total net decrease in savings and time deposits of \$2,986,000, while five banks showed a total net increase of \$1,267,000. *The Morris Plan Bank of Virginia's* gain alone was \$519,000 of the total gain of \$1,267,000 for six banks, or 40.9% of the gain in all savings out of twenty-one banks, and this in spite of the limitation to a payment of 4% interest in a period when the public has been withdrawing funds largely on account of stock market operations.

Absolute Safety Afforded

AS TO LOSSES, the bank since organization in July, 1922, has loaned over twenty-seven million dollars, and out of that huge sum has lost but \$70,846, or 37/100 of 1%. You may get a clear picture of the safety of the bank by noting that out of twenty-seven millions loaned, only \$70,846 was lost. Now, with \$7,555,000 outstanding on the books out of which can come losses, the bank has \$1,277,000 to meet these losses; or based on experience running over six years and nine months, *the bank's capital and reserve funds are sixty-two times greater than necessary to guarantee the safety of depositors' funds.* The specific reserves for losses and contingencies alone, irrespective of capital account, are five and a quarter times greater than our loss experience requires. So that not only are your depositors' funds safe beyond all reasonable contingencies, but your own capital funds seem more than protected against all normal experiences.

This is not a theory of future management, for over a time covering nineteen years' operations, through periods of extreme depression and expansion, the 130 Morris Plan independent units have loaned over a billion dollars to more than five million borrowers *without the loss of a dollar of interest or principal of any depositor's money.*



III



AS A STOCKHOLDER, what relation do all these figures and facts bear upon the value of your investment in shares of stock in *The Morris Plan Bank of Virginia?* The stock of the bank at organization in 1922 was sold at \$125 on a par of \$100, or \$31.25 on a par (as as present) of \$25. Gradually this price has risen as the chart of stock price shows. This chart on page 25 shows at the same time the rise in savings deposits. The two parallel each other.

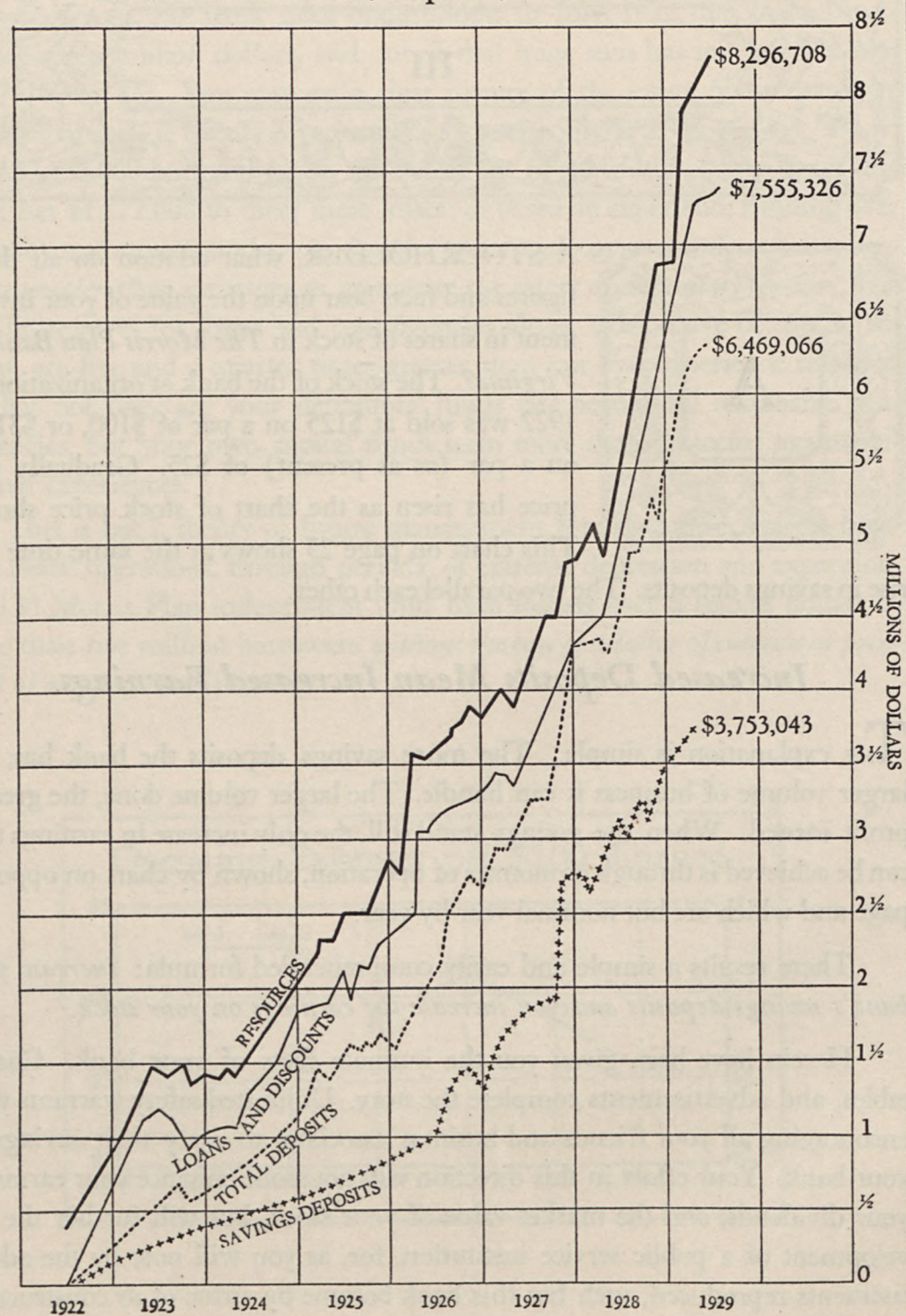
Increased Deposits Mean Increased Earnings

THE explanation is simple. The more savings deposits the bank has, the larger volume of business it can handle. The larger volume done, the greater profit earned. When the savings stand still, the only increase in earnings that can be achieved is through economies of operation, shown by chart on opposite page and which are but nominal year by year.

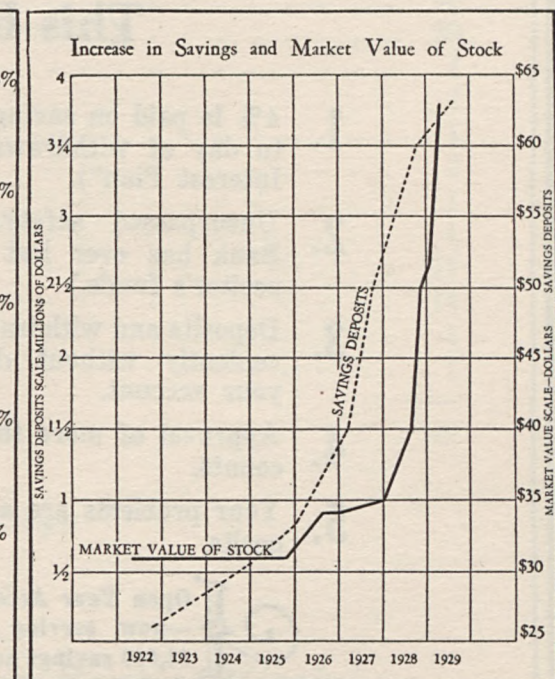
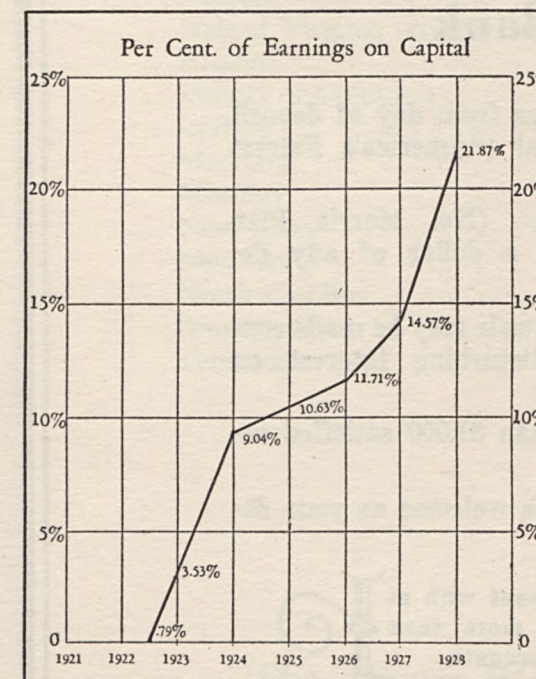
There results a simple and easily comprehended formula: *Increase your bank's savings deposits and you increase the earnings on your stock.*

Herein have been given you the intimate facts of your bank. Charts, tables, and advertisements complete the story. Unlimited safety warrants your encouraging all your friends and business associates to carry their savings in your bank. Your effort in this direction will not alone enhance your earnings, your dividends, and the market value of your stock, but will further the development of a public service institution, for, as you will note by the advertisements reproduced, such has this bank become by virtue of its constructive, economical and stimulating service.

Growth of Resources, Deposits, Loans and Discounts



Your support and your vigorous and continuous solicitation of savings is not only putting added earnings in your pocket, but is widening the field of potential service to the communities served by *The Morris Plan Bank of Virginia*. Twenty-seven million dollars loaned to 100,000 accounts, with 67,000 customer accounts on the books today, growing in numbers and amount, more largely and more rapidly than any other bank of any kind in this section, must stimulate you to recognize your opportunity to serve not only your own interests, but also the interests to those whom you bring into the bank to experience its constructive influence.*


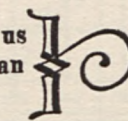


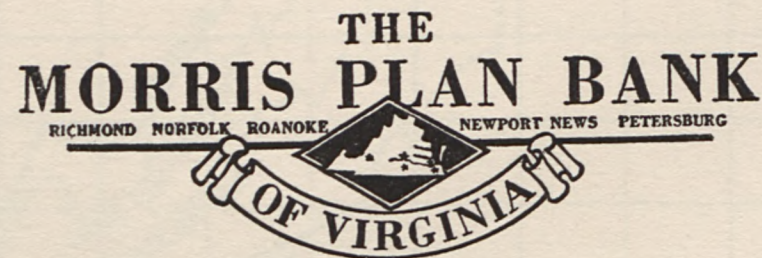
*The bank has no stock for sale. There are 24,000 outstanding shares of a par value of \$25, a few of which shares are from time to time traded in on the over-the-counter market in Richmond.

Five Good Reasons

Why You Should Open Your Savings Account at This Bank

1. 4% is paid on savings from day of deposit to day of withdrawal ("America's Fairest Interest Plan").
2. Unsurpassed safety. (No. Morris Plan Bank has ever lost a dollar of any depositor's funds.)
3. Deposits and withdrawals may be made conveniently without disturbing interest on your account.
4. Approval of more than 31,000 satisfied accounts.
5. Your problems are as welcome as your deposits.


 Open Your Account with us
 —now serving more than
 31,000 savings accounts.
 



News Leader, January 24, 1929.
Times-Dispatch, January 26, 1929.

Geographical Location of Stockholders

of The Morris Plan Bank of Virginia
 March 30, 1929

LOCATION	NUMBER OF STOCKHOLDERS
Richmond	307
Petersburg	44
Newport News	30
Roanoke	12
Norfolk	41
State of Virginia (outside above cities)	59
Arizona	2
District of Columbia	2
Indiana	1
Maryland	2
Missouri	1
New Jersey	1
New York	11
North Carolina	14
Pennsylvania	1
Tennessee	1
<hr/>	
529	



The Morris Plan Bank of Virginia

OFFICERS

THOMAS C. BOUSHALL
President

- | | |
|-------------------------------|-----------------------------------|
| PHILIP WOOLLCOTT | <i>Vice-President</i> |
| GAIUS W. DIGGS | <i>Vice-President</i> |
| ANTON C. ADAMS | <i>Vice-President and Cashier</i> |
| E. N. PLACK | <i>Vice-President</i> |
| L. H. FAIRBANK | <i>Assistant Cashier</i> |
| D. P. TYLER | <i>Assistant Cashier</i> |
| E. P. MANGUM | <i>Assistant Cashier</i> |
| H. MAYO SHUGART | <i>Assistant Cashier</i> |
| CLARENCE FORD, JR. | <i>Assistant Cashier</i> |
| JOSEPH E. BIRNIE | <i>Assistant Cashier</i> |
| OVERTON S. WOODWARD | <i>Auditor</i> |

BRANCH OFFICES
BROAD STREET OFFICE

L. H. FAIRBANK
Manager

PETERSBURG OFFICE

ARCHIBALD ROBERTSON
Cashier

J. W. Y. POOLE
Assistant Cashier

NEWPORT NEWS OFFICE

L. H. ZEHMER
Cashier

E. N. ISLIN
Assistant Cashier

ROANOKE OFFICE

FRANK M. KULP
Cashier

WALKER L. MARKS
Assistant Cashier

NORFOLK OFFICE

E. N. PLACK
Vice-President and Cashier

C. L. BUSSELLS
Assistant Cashier

DIRECTORS

C. C. BARKSDALE
*President, Union Bank and
Federal Trust Co.*

THOMAS C. BOUSHALL
President

JOHN H. CECIL
President, Cecil, Warwick & Cecil

C. FRANCIS COCKE
Attorney-at-Law, Roanoke

R. GRAYSON DASHIELL
Attorney-at-Law

HUGH W. DAVIS
*Director, Norfolk National Bank of
Commerce and Trusts*

GAIUS W. DIGGS
Diggs & Cary

ROBERT M. JEFFRESS
*Vice-President and General Manager
King Cotton Mills Corporation*

ALLAN D. JONES
Attorney-at-Law, Newport News

CHARLES L. KAUFMAN
Attorney-at-Law, Norfolk

B. T. KINSEY
*Cashier, Virginia National Bank
Petersburg*

L. A. MAHLER
*President, The Morris Plan Industrial Bank,
Raleigh, N. C.*

ARTHUR J. MORRIS
Founder of the Morris Plan System

JUNE M. PENICK
*General Manager of Railways
Virginia Electric & Power Company*

WILLIAM S. ROYSTER
*Vice-President, F. S. Royster Guano Co.
Norfolk*

ALLEN J. SAVILLE
President, Allen J. Saville, Inc.

E. S. SIMPSON
President, West Virginia Coal Company

JOHN R. WALKER
*President, The Morris Plan Corporation
of America*

R. BOLLING WILLCOX
Attorney-at-Law, Petersburg

CARRINGTON WILLIAMS
Surgeon

PHILIP WOOLLCOTT
Vice-President

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BOARDS of MANAGERS

PETERSBURG OFFICE

R. BOLLING WILLCOX, *Chairman*
Attorney-at-Law

MARK HOLT
Jeweler

B. T. KINSEY
Cashier, Virginia National Bank

J. FRANK POND
*Superintendent, Petersburg Division
Virginia Electric & Power Company*

W. M. RUCKER
Rucker Dry Goods Company

LEWIS M. WALKER
Export Leaf Tobacco Co.

T. O. WILLIAMS
Southern Chemical Company

NEWPORT NEWS OFFICE

ALLAN D. JONES, *Chairman*
Attorney-at-Law

N. E. DREXLER
*General Manager, Eastern Division
Virginia Public Service Co.*

CHARLES E. MASON
Insurance and Real Estate

JOSEPH MORTIMER
Retired Shipbuilder

A. ROSENBAUM
Retired Merchant

FRANK ROTH
Contractor

J. B. WOODWARD, JR.
*Newport News Shipbuilding
& Dry Dock Co.*

ROANOKE OFFICE

C. FRANCIS COCKE, *Chairman*
Attorney-at-Law

L. R. HAMMOND
Hammond Printing & Lithographing Works

P. T. JAMISON
*President and Treasurer, Exchange
Lumber Company*

CLAIR S. SNYDER
Horton & Snyder, Merchandise Brokers

ROGER M. WINBORNE
Vice-President, Jamison Stores Co., Inc.

NORFOLK OFFICE

W. S. ROYSTER, *Chairman*
Vice-President, F. S. Royster Guano Co.

CHAS. L. KAUFMAN, *Counsel*
Attorney-at-Law

E. N. PLACK
Vice-President and Cashier

H. W. WHICHARD
President, Whichard Bros. Co., Inc.

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Richmond Va.
July 17, 1928.

President,
The Morris Plan Bank

Dear Sir: The withdrawal of my account with your bank some few days ago & what to say was not for the purpose of changing my business with you, but this case I needed this small amount to apply on a small debt I have had several loans with your bank as a matter of fact I still have one with you, and I can truthfully say that no bank could do more for me than the bank has from time to time. I hope that it will be in a position to reopen account in your saving within the near future.

Yours very truly,
J. E. McFar

Mr. Thomas C. Boushall, Pres.,
The Morris Plan Bank,
Richmond, Va.

Dear Sir:
Your letter of August addressed to me was received, and I want to thank you for the time your bank has taken to consider the thought and collection of my only interest in the your institution of money, but also in the amount the customer should be and no doubt one state on your bank in Richmond.
I have find enclosed my check for thirty eight dollars (38.00) my seventh payment on my note.
Thanking you again for your favors.
Yours very truly,
J. E. McFar

Mr. Thomas C. Boushall, President
The Morris Plan Bank,
Richmond, Virginia.

My dear Mr. Boushall:
Thank you for your letter of May 2nd, about my opening an account for my aunt in your bank. I was glad to do so and feel that the Morris Plan offers an unusually opportunity for a safe placement of a savings account which pays a good interest, is easily accessible and which offers many opportunities to people of our own city.
Because this money is not mine, I feel even a deeper sense of responsibility in handling it for my aunt, but there isn't the slightest doubt in my mind as to the wisdom and desirability of having put it on deposit in your bank.
I am, with best wishes for the continued growth of the Morris Plan Bank,
Very truly yours,
L. P. Brown

Mr. A. C. Adams,
The Morris Plan Bank,
Richmond, Va.

Dear Sir:
It is a real pleasure to me to receive such a comforting letter from you as a representative of your, and permit me to say our bank. I was unconscious of the fact that the bank was indebted to me for anything, they having helped me in my time of need and I felt morally indebted to them.
I will endeavor in the future, as I have in the past, to establish myself and to hold the confidence that our bank has reposed in me. I would thank you, however, to give me credit for the \$1.13 that you say is due me, on a saving account and will be a bank book, so that I may enlarge it as much and as fast as I can.
Believe me to be
Yours very truly,
Frank D. Decker

To The Officers,
Morris Plan Bank of Richmond,
Richmond, Virginia
My dear Sirs:
I take this opportunity to express my appreciation for the many kind favors that your bank has granted me.
I have for sometime been tied up with different banks and loan companies that have been very exacting, but I have never asked for a favor or loan from your bank but which was granted me.
I shall not forget this service, that I am assured that any favor or service that I ask render your bank such as sending my friends to you and handling of my own affairs will be gladly done.
Again thanking you for many favors extended me, and wishing for your continual success, I am,
Most sincerely yours,
C. E. Hand

AMERICAN RAILWAY EXPRESS CO
Richmond, W. C.

Mr. A. Robertson, Cashier,
Morris Plan Bank,
Petersburg, Va.
Dear Sir:
Your letter of the 13th inst. did me a great deal of good. I am very much delighted to know that my account with your institution has been kept up so that it would merit a letter of appreciation of my patronage. That was my intention when I opened this account with you and I always intend to keep this stand-
I also want to thank you for the favors you have shown me in handling this business for me. I have never dealt with a bank of any kind that has been any more considerate, and anxious to maintain the satisfactory and pleasant feelings of its patrons, than your institution.
With best regards for a continuation of our pleasant relations, I beg to remain,
Yours very truly,
H. H. H. H.

A Designated Depository

of

The State of Virginia The City of Richmond The City of Petersburg The City of Newport News

This bank is also a depository for 36,505 individuals and business concerns of Virginia.

4%
Paid on
Savings
FROM DAY OF
DEPOSIT TO DAY OF
WITHDRAWAL

The Morris Plan Bank of Virginia

Richmond—Petersburg—Newport News—Roanoke—Norfolk

Times-Dispatch, February 17, 1929.

For obvious reasons, the names appearing on the above letters are fictitious. We have on file, however, the originals of these and many more letters expressing appreciation of the services we have rendered.

THE
MORRIS
PLAN

WHITTEY & SHEPPSON, PRINTERS, RICHMOND, VA