A meeting of the Standing Committee on the Admission of State Banks was held in the office of Mr. Harding on Thursday, October 28, at 10:15 a.m.

PRESENT:

Mr. Harding, presiding
Mr. Williams
Mr. Warburg

PRESENT ALSO:

Mr. J. A. Broderick.

1. The Federal Trust Company.

Mr. Broderick was instructed to draft a letter to be sent to Mr. Curtiss with regard to the payment of dividends and the application of surplus earnings by the Federal Trust Company in the event of the Federal Trust Company being admitted to the Federal reserve system.


Recommendations made by Messrs. Harding, Williams and Warburg — acting as committee on admission of State banks:

A - Approval Recommended:

1 - First National Bank, Newport News, Va. Dist. #5
B - Applications to be held until next report is received.

1 - First National Bank, South Bend, Ind. Dist. #7
2 - First National Bank, Billings, Mont. " 9
3 - Seymour National Bank, Seymour, Ind. " 8

C - Applications to be held until surplus equals 20% of capital.

1 - First National Bank, Galva, Iowa. Dist. #7

D - Recommendation that permission to exercise fiduciary powers be refused:

1 - First National Bank, Corvallis, Oregon. Dist. #12
2 - Central National Bank, St. Petersburg, Fla. " 6
3 - First National Bank, Grove City, Pa. " 4
4 - Whiteland National Bank, Whiteland, Ind. " 7
5 - First National Bank, Elwood, Ind. " 7

3. Alabama State Banks:

A letter was read from Mr. J. P. Kohn, President of the Sullivan Bank and Trust Company, enclosing a press copy of an amendment adopted by the Legislature and approved by the Governor, which will permit the Superintendent of Banks to furnish the Board with information as to State bank members of the system. This will permit the Board to authorize the acceptance of examinations made by the Superintendent of Banks of
the State of Alabama upon receipt of advice from him as to his willingness to supply the Board with the information required for the files of this office.

4. The Broadway Trust Company:

A memorandum was submitted giving a digest of correspondence with Honorable E. L. Richards, Superintendent of Banks of the State of New York, with regard to the acceptance of examinations made by his department in the case of the Broadway Trust Company. Mr. Richards has stated that he will be very glad to have a representative of the Board participate in the examinations made by his department, but that he feels that joint responsibility for such examinations should be assumed by representatives of the Board. The committee approved the recommendation that representatives of the Board or a representative of the Federal Reserve Bank be authorized to participate in all examinations of the Broadway Trust Company made by the New York State Banking Department.

5. Applications for Admission of State Banks:
The following recommendations as to applications of State Banks for admittance were approved by the Committee:

(1) **First State Bank, DeKalb, Texas**

"It is respectfully recommended that action on this application be deferred until such time as an unqualified favorable recommendation is received from the Reserve Bank committee. It is suggested that the committee be requested to keep in touch with the affairs of the institution, in order that the application may again be brought to the attention of the Board as soon as the matters objected to have been corrected or eliminated."

(2) **Merchants and Farmers Bank, Cheraw, S. C.**

"There is a condition in this bank which requires investigation by a representative of the Federal Reserve Bank of Richmond. While many matters objected to by the State bank examiner have been eliminated within the last few months, it might be well for the Reserve Bank officials to inquire into the relations with the newly-formed trust company. It is therefore recommended that the Reserve Bank officials be requested to send a representative to the applicant bank to inquire into the general condition, and more particularly into the loans. It is further recommended that no action be taken on this application until the receipt of the report of the representative of the Federal Reserve Bank or of the report of the next examination made by the State bank examiner."

(3) **Hartwell Bank, Hartwell, Ga., Tattnall Bank, Reidsville, Ga., and the Glennville Bank, Glennville, Ga.**

The Committee approved the recommendation that
the Reserve Bank be requested to send a representative to each of the three applying banks for the purpose of making an investigation into the loans and general condition.

(4) Cape Charles Bank, Cape Charles, Va.

"The statement of condition reveals a condition of affairs that it is quite likely will take a long time to correct. The chief executive of the institution has a very unfavorable record. In view of these circumstances it is recommended that the Cape Charles Bank be given an opportunity to withdraw its application."

The Committee voted to disapprove the application and suggested that the Federal Reserve Agent be instructed to advise the directors of the bank as to the reasons for the action taken.

6. Letter from Mr. D. C. Wills was read advising that the application of the Guardian Trust and Savings Bank of Toledo, Ohio, had been received. Mr. Wills further stated that the Bank had not been examined for nearly a year and that the Superintendent is not satisfied to make a certification from the report of examination. An immediate examination will be made, and a report submitted.

J. A. BRODERICK,
Secretary - Committee.

APPROVED:

W. P. G. HARDING.