

At a special meeting of the Federal Reserve Board held in the office of the Board on Thursday, January 15, 1920, at 3-20 P.M.,

PRESENT: The Governor
Mr. Strauss
Mr. Miller
Mr. Hamlin
Mr. Moenlenpan
Mr. Chapman, Secretary.

Business was presented and disposed of as follows:

Telegram dated January 15th from the Governor, Federal Reserve Bank of Atlanta, advising that the Fulton Superior Court had issued an order citing the Federal Reserve Bank of Atlanta to show cause on January 24th why a temporary injunction should not issue against it restraining it from employing any method of collecting checks drawn against petitioners or any other bank hereafter becoming a plaintiff that would prove embarrassing, annoying or expensive to such banks; from collecting such checks in any except the usual and orderly manner now employed among corresponding banks and clearing houses, and from interfering with any such banks in charging, collecting or retaining the usual and customary rate of exchange charges now in effect between corresponding banks and clearing houses.

After discussion, on motion duly seconded the Governor was authorized to send to Governor Wellborn the following telegram:

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"Suggest that Randolph ask Judge Ellis at once to modify the order by vacating restraint until case can be heard on its merits, pointing out that bank might be liable for heavy damages to member banks sending checks to it which your bank would be unable to collect even by presentation at the counter. Attorney General has already ruled that you cannot collect by sending to banks which will charge exchange. Effect of failure to present would release endorsers. Injunction appears to restrain the holder of a check from demanding payment in cash. Please take immediate action and at least have court define its meaning more clearly and to compel plaintiffs to make adequate bond to cover all damages which may arise. This telegram is sent after consultation with Solicitor General King. Keep Board fully informed as Attorney General may be asked to appear."

On motion duly seconded it was voted to make special order business at the meeting of the Board to be held at 11 A.M. on Friday, January 10th, the election of directors on behalf of the Board of the Oklahoma Branch of the Federal Reserve Bank of Kansas City.

At 3-30 P.M., the meeting adjourned.


Secretary.

Approved:


Governor.