

A meeting of the Federal Reserve Board was held in the office of the Governor of the Federal Reserve Board on Wednesday, September 23, 1925, at 4:00 p.m.

PRESENT: Governor Crissinger
Mr. Platt
Mr. James
Mr. Cunningham
Mr. McIntosh
Mr. Eddy, Secretary

In accordance with the action taken at the meeting of the Board this morning, the Committee on Examinations submitted the following report:

"At the meeting of the Board this morning, following presentation by Mr. P. E. Bowles, President of the American Bank of San Francisco, of facts and conditions surrounding the acquirement, through the American Securities Company, of stock in the Bank of Alameda, with a view to consolidating the Bank of Alameda with the American Bank of San Francisco and operating branches of the latter in the premises of the Alameda bank, the Board adopted a motion to reconsider its action of August 5, 1925 in denying the application of the American Bank to establish the branches in question. Your Committee was directed to draft a resolution for presentation to the Board, recommending the action which the Board should take on the application.

In view of the fact that the action of the American Bank in so acquiring stock in the Bank of Alameda is a violation by the bank of the conditions of membership to which it subscribed at the time of its admission to the system, and in view of the fact that the defense of the bank is a plea that it was ignorant at the time of the transaction of the purposes and intent of such conditions of membership, all of which has been explained verbally to Mr. Bowles, your Committee recommends that the American Bank of San Francisco be advised that before the Board will take further action on the application to establish branches at Alameda, it desires to have assurances in writing that the officers and directors of the American Bank have reviewed and are familiar with the conditions under which the bank was admitted to membership, and to which it subscribed at the time; that they are familiar also with the terms of the Board's Regulation H, and that they will not in the future enter into any firm negotiations for the acquisition of stock in another bank in excess of 20 per cent of the stock of such bank, without first securing the consent of the Federal Reserve Board in accordance with their condition of membership No. 6, nor take any definite steps toward the establishment of an additional branch office without having first secured the approval of the Board, in compliance with their condition of membership No. 4 and Regulation H.

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"If this report of your Committee is adopted by the Board, it is also recommended that the Board require that its advice to the American Bank of San Francisco be brought to the attention of the board of directors of that bank at a regular meeting, and that the Cashier of the bank or the Secretary to the board of directors be required to certify to such presentation and certify also to such action as the directors may take thereon."

Mr. James reported that Mr. Bowles, as President of the American Bank, had agreed to the above conditions and had stated that he would at once advise the bank to proceed in accordance therewith.

After discussion, Mr. James moved approval of the report.

Mr. James' motion being put by the chair was carried.

Report of Committee on Salaries, Expenditures and Efficiency on letter dated September 23rd from the Comptroller of the Currency, recommending an increase from \$3600 to \$4200 per annum in the salary of National Bank Examiner R. W. Hill; the Committee also recommending approval.

Approved.

Report of Committee on Salaries, Expenditures and Efficiency on letters dated September 23rd from the Comptroller of the Currency, recommending salaries of \$3,000 and \$3,600 per annum, respectively, for National Bank Examiners R. E. Niemann and Thomas H. Davis, to be assigned to the 8th and 3rd Federal Reserve Districts; the Committee also recommending approval.

Approved.

Telegram dated September 23rd from the Chairman of the Federal Reserve Bank of Boston, requesting approval of the action of the board of directors

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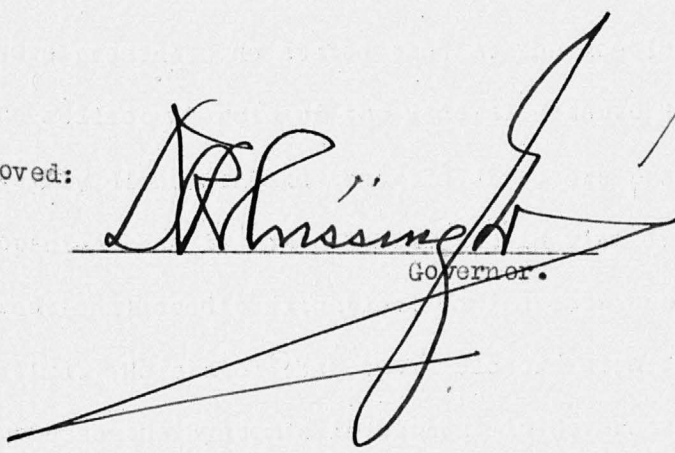
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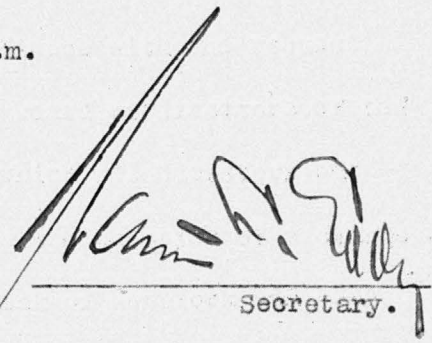
of that bank in authorizing the Governor to reimburse employees of the bank who qualify to take examinations in courses given by the Boston Chapter of the American Institute of Banking during the ensuing school year, for amounts paid by the employees for fees for such courses; the expenditure involved being approximately \$500.

Approved.

The meeting adjourned at 4:25 p.m.

Approved:


Governor.


Secretary.