

12/5/43 A meeting of the Board of Governors of the Federal Reserve System was held in Washington on Monday, December 6, 1943, at 11:00 a.m.

PRESENT: Mr. Eccles, Chairman
Mr. Ransom, Vice Chairman
Mr. Szymczak
Mr. Draper

Mr. Morrill, Secretary
Mr. Bethea, Assistant Secretary
Mr. Carpenter, Assistant Secretary

The action stated with respect to each of the matters herein after referred to was taken by the Board:

The minutes of the meeting of the Board of Governors of the Federal Reserve System held on December 2, 1943, were approved unanimously.

The minutes of the meetings of the Board of Governors of the Federal Reserve System held on December 3 and 4, 1943, were approved and the actions recorded therein were ratified unanimously.

Letter to the board of directors of "The Kirkwood Bank", Kirkwood, Missouri, stating that, subject to conditions of membership numbered 1 to 3 contained in the Board's Regulation H, the Board approves the bank's application for membership in the Federal Reserve System and for the appropriate amount of stock in the Federal Reserve Bank of St. Louis.

Approved unanimously, for transmission through the Federal Reserve Bank of St. Louis.

12/6/43

-2-

Letter to the "Oyster Bay Trust Company", Oyster Bay, New York,
reading as follows:

"The Board is glad to learn that you have completed all arrangements for the admission of your bank to the Federal Reserve System and takes pleasure in transmitting herewith a formal certificate of your membership.

"It will be appreciated if you will acknowledge receipt of this certificate."

Approved unanimously.

Telegrams to Mr. Neely, Federal Reserve Agent at the Federal Reserve Bank of Atlanta, stating that, subject to the conditions set forth in the respective telegrams, the Board of Governors of the Federal Reserve System authorizes the issuance of general voting permits, under the provisions of section 5144 of the Revised Statutes of the United States, to "The First National Bank of Miami" and the "First National Holding Corporation", both of Miami, Florida, entitling such organizations to vote the stock which they own or control of "The Coral Gables First National Bank", Coral Gables, Florida, at all meetings of shareholders of such bank, and that the period within which a permit may be issued pursuant to the authorization contained in the telegrams is limited to 30 days from the date of the telegram unless an extension of time is granted by the Board. The conditions contained in the telegrams upon which the permits were authorized were (1) that the holding company affiliates should execute and deliver to the Federal Reserve Bank in duplicate an agreement in the form described in the

12/6/43

-3-

respective telegrams and (2) that the two voting permits authorized by the telegrams should be issued simultaneously. The telegram with respect to the voting permit for the First National Holding Corporation also stated that in advising the Corporation of the Board's authorization of the general voting permit it should be advised as follows:

"Attention is directed to the provisions of paragraph 7 of the application for voting permit and subsection (e)(4) of section 5144, Revised Statutes, restricting dividends declared by a holding company affiliate to the amount of its actual net earnings. Information submitted in connection with your corporation's application for a voting permit indicates that the corporation has a deficit in earned surplus, resulting in part from the payment of dividends in excess of earnings in the past. However, it is felt that the accounting transactions as of June 30, 1942, incident to the transfer of the bank building from the corporation to The First National Bank of Miami may reasonably be regarded as having the practical effect of a reorganization as of that date. Accordingly, the Board does not regard any of the present surplus account of the corporation as being available for the declaration or payment of dividends, except such portion of the surplus as represents actual net earnings accumulated subsequent to June 30, 1942, in excess of dividends declared or paid since that date. It has been noted that in the analyses of surplus accounts submitted by your corporation, such items as cancellation of indebtedness by, and a donation received from, the corporation's stockholder, and write-ups of the carrying values of assets were shown as additions to earned surplus. The Board does not regard such items as actual net earnings available for dividends pursuant to the provisions of the application and the law referred to above."

Approved unanimously.

12/6/43

Thereupon the meeting adjourned.

Chester Morrie
Secretary.

Approved:

W. S. ...
Chairman.