

Minutes of actions taken by the Board of Governors of the Federal Reserve System on Wednesday, April 2, 1952.

PRESENT: Mr. Szymczak, Chairman pro tem.  
 Mr. Evans  
 Mr. Vardaman  
 Mr. Powell  
 Mr. Mills  
 Mr. Robertson

Mr. Carpenter, Secretary  
 Mr. Sherman, Assistant Secretary  
 Mr. Kenyon, Assistant Secretary

Minutes of actions taken by the Board of Governors of the Federal Reserve System on April 1, 1952, were approved unanimously.

Letter to Mr. Stetzelberger, Vice President, Federal Reserve Bank of Cleveland, reading as follows:

"This will acknowledge receipt of your letter of March 26, 1952, requesting that the Board approve the appointment of Edward R. Gossett as an Assistant Examiner for the Federal Reserve Bank of Cleveland.

"It is noted that Mr. Gossett owns 145 shares of the common capital stock of The Harrison Deposit Bank & Trust Company, Cynthiana, Kentucky, and his holdings, together with those of his sister, equal approximately 10 per cent of the capital stock of the bank, and that you feel it would be unwise for him to participate in the examination of any bank in the vicinity of Cynthiana, Kentucky. It is also noted that you do not intend to schedule him to work in any of the Kentucky banks which are included in the Fourth Federal Reserve District other than perhaps the member bank in Covington.

"The Board approves the appointment of Edward R. Gossett as an Assistant Examiner for the Federal Reserve Bank of Cleveland, with the understanding that he will not participate in the examination of banks in the State of Kentucky while continuing to be a stock holder in The Harrison Deposit Bank & Trust Company, Cynthiana, Kentucky.

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"Please advise us of the date upon which the appointment becomes effective and also as to salary rate."

Approved unanimously.

Memorandum dated March 27, 1952, from Mr. Chase, Assistant Solicitor, recommending for reasons stated therein that, in accordance with the recommendation of the Federal Reserve Bank of Richmond, the matter of R. B. Browne, doing business as Sylvan Radio and Television Company, Washington, D. C., a registrant under Regulation W, Consumer Credit, be referred to the Department of Justice for the institution of such criminal proceedings as that Department might deem appropriate.

Approved unanimously.

Memorandum dated April 1, 1952, from Mr. Chase, Assistant Solicitor, recommending that, in accordance with the recommendation of the Federal Reserve Bank of San Francisco, an Order for Investigation be issued in the matter of Stoddard-Wendle Motor Company, Spokane, Washington, a registrant under Regulation W, Consumer Credit, reading as follows:

<p>"UNITED STATES OF AMERICA BEFORE THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM At a meeting of the Board of Governors of the Federal Reserve System held at its offices in the City of Washington, D. C., on the 2d day of April, A. D., 1952.</p>	<p>ORDER DIRECTING INVESTIGATION AND DESIGNATING OFFICERS TO TAKE TESTIMONY.</p>
<p><u>In the Matter of</u> <u>Stoddard-Wendle Motor Co.,</u> <u>Spokane, Washington.</u></p>	

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## "I

The Federal Reserve Bank of San Francisco has transmitted information to the Board which tends to show that Stoddard-Wendle Co., 1125 West Second Avenue, Spokane, Washington, has made instalment sales of automobiles subject to Regulation W, Consumer Credit:

1. Without obtaining the down payment required by said Regulation in connection with such sales;
2. When there was an agreement, arrangement or understanding by which the obligation was to be renewed or revised on terms which would permit final payment to be deferred beyond the date permitted by the Regulation or by which the obligor was to be enabled to make repayment on conditions inconsistent in other respects with those required by the Regulation;
3. Without maintaining and preserving such books of account, records, and other papers as are relevant to establishing whether or not credit extended by it is in conformity with the requirements of the Regulation.

## II

The Board having considered the aforesaid information, and for the purpose of (1) determining whether Stoddard-Wendle Motor Co., has violated the provisions of Regulation W, and (2) aiding in the enforcement of said Regulation, deems it necessary and appropriate that an investigation be made to determine whether Stoddard-Wendle Motor Co., has engaged in the acts and practices set forth in paragraph I hereof, or any acts and practices of similar purport or object.

## III

IT IS ORDERED, pursuant to Section 604 of the Defense Production Act of 1950, that an investigation be made to determine the matters set forth in paragraph II hereof.

IT IS FURTHER ORDERED, pursuant to the provisions of Section 604 of the Defense Production Act of 1950, that for the purpose of such investigation John A. O'Kane and Walter F. Scott are hereby designated officers of the Board and empowered to administer oaths and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memoranda, or other records deemed relevant

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"or material to the inquiry, and to perform all other duties in connection therewith as authorized by law.  
By the Board.

(SEAL)

(signed) S. R. Carpenter,  
Secretary."

Approved unanimously.

  
Secretary.