Minutes for September 24, 1963

To: Members of the Board

From: Office of the Secretary

Attached is a copy of the minutes of the Board of Governors of the Federal Reserve System on the above date.

It is not proposed to include a statement with respect to any of the entries in this set of minutes in the record of policy actions required to be maintained pursuant to section 10 of the Federal Reserve Act.

Should you have any question with regard to the minutes, it will be appreciated if you will advise the Secretary's Office. Otherwise, please initial below. If you were present at the meeting, your initials will indicate approval of the minutes. If you were not present, your initials will indicate only that you have seen the minutes.

Chm. Martin
Gov. Mills
Gov. Robertson
Gov. Balderston
Gov. Shepardson
Gov. Mitchell
Minutes of the Board of Governors of the Federal Reserve System on Tuesday, September 24, 1963. The Board met in the Board Room at 10:00 a.m.

PRESENT: Mr. Balderston, Vice Chairman
Mr. Mills
Mr. Robertson
Mr. Shepardson

Mr. Sherman, Secretary
Mr. Kenyon, Assistant Secretary
Mr. Fauver, Assistant to the Board
Mr. Hackley, General Counsel
Mr. Solomon, Director, Division of Examinations
Mr. O'Connell, Assistant General Counsel
Mr. Hooff, Assistant General Counsel
Mr. Benner, Assistant Director, Division of Examinations
Mr. Leavitt, Assistant Director, Division of Examinations
Mr. Spencer, General Assistant, Office of the Secretary
Mr. Bakke, Senior Attorney, Legal Division
Mr. Donovan, Review Examiner, Division of Examinations
Mr. Guth, Review Examiner, Division of Examinations
Mr. Lyon, Review Examiner, Division of Examinations
Mr. Rumbarger, Review Examiner, Division of Examinations
Mr. Smith, Review Examiner, Division of Examinations
Mr. Noory, Assistant Review Examiner, Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Bank of Atlanta on September 23, 1963, of the rates on discounts and advances in its existing schedule was approved unanimously, with the understanding that appropriate advice would be sent to that Bank.
Circulated or distributed items. The following items, copies of which are attached to these minutes under the respective item numbers indicated, were approved unanimously:

<table>
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<th>Item No.</th>
<th>Description</th>
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<tr>
<td>1</td>
<td>Letter to The Marine Midland Trust Company of New York, New York, New York, approving the establishment of a branch at 777 Third Avenue, Borough of Manhattan.</td>
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<td>2-6</td>
<td>Telegrams to the Federal Reserve Agent at Richmond authorizing the issuance of general voting permits to (1) Financial General Corporation, Washington, D. C.; (2) The Morris Plan Corporation, New York, New York; (3) Distributors Discount Corporation, New York, New York; (4) National Insurers &amp; Credit Corporation, Des Moines, Iowa; and (5) American Installment Credit Corporation, Washington, D. C., covering stock owned or controlled in specified banks in Maryland and Virginia.</td>
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There had been distributed a draft of report to the Comptroller of the Currency on the competitive factors involved in the proposed purchase of assets and assumption of liabilities of The Grand Ledge State Bank, Grand Ledge, Michigan, and Loan and Deposit State Bank, Grand Ledge, Michigan, by Michigan National Bank, Lansing, Michigan. There also had been distributed a memorandum from the Division of Examinations and Legal Division dated September 20, 1963, citing certain background factors for the information of the Board in connection with its consideration of the competitive factor report.
The last sentence in the conclusion of the draft report read as follows:

Furthermore, alternative sources of banking services would be reduced significantly and the over-all effect on competition would be significantly adverse.

In discussion, Governor Mills noted that the Grand Ledge community was only about 10 miles from Lansing and seemed to be a suburban part of that city. In his view, if the same reasoning were applied in this instance as in certain previous cases, the proposal was more in the nature of an establishment of a branch by Michigan National Bank within a metropolitan area already served by it. It stretched the point a little to say that the two Grand Ledge banks represented important alternate sources of banking services, and he would have some doubt about stressing that point. He would revise the last sentence in the draft of conclusion, which put more emphasis on adverse factors than he thought could be found.

During further discussion, Governor Robertson indicated that he would not try to qualify the word "adverse." He would delete the word "significantly" in each place where it appeared in the draft conclusion.

Governor Shepardson referred to the recent occasion on which the Board had transmitted to the House Banking and Currency Committee, upon request, a listing in which the Board's staff had undertaken to
classify, by degrees of adverse effect, the tone of competitive factor
reports that the Board had submitted to the Comptroller of the Currency.
It was his impression, from Board discussions at that time, that the
Board was going to endeavor to be more specific in its reports in the
future.

Governor Robertson repeated that he would consider it a mistake
to try to go further than to express the view that the over-all effect
of a proposed merger on competition would be adverse or not adverse.
He pointed out that in any given report the conclusion must be read
in conjunction with the entire report. Governor Mills indicated that
he agreed strongly with Governor Robertson.

After further discussion, the report was approved unanimously
for transmittal to the Comptroller, its conclusion being modified
to read as follows:

The purchase of assets and assumption of liabilities
of The Grand Ledge State Bank and Loan and Deposit State
Bank, both of Grand Ledge, Michigan, by Michigan National
Bank, Lansing, would further concentrate banking resources
held by the largest bank in the Lansing area and would
eliminate direct competition between the Grand Ledge banks
as well as competition between these banks and Michigan
National Bank. Furthermore, alternative sources of bank-
ing services would be reduced and the over-all effect
on competition would be adverse.

Request of Mark One Corporation. There had been distributed
memoranda dated August 16 and September 19, 1963, from the Division
of Examinations and Legal Division, respectively, with regard to a
request by Mark One Corporation, Mineola, Texas, for a determination exempting it from all holding company affiliate requirements except for the purposes of section 23A of the Federal Reserve Act.

After brief discussion during which it was pointed out that the nature of this case raised a question that could involve a reversal of policy in the handling of so-called "one bank" cases, it was agreed that the subject would be held over for consideration at a time when more members of the Board were available.

Messrs. Hooff, Bakke, Donovan, Guth, Rumbarger, and Noory then withdrew from the meeting.

Pan American Bank of Miami (Items 7 and 8). There had been distributed a memorandum from the Legal Division dated September 19, 1963, with regard to a request received from the Criminal Division, Department of Justice, for access by its staff to certain materials relating to Pan American Bank of Miami, Miami, Florida; namely, reports of examination, including both open and confidential sections, for the years 1961 and 1962; all examiners' loan line slips, cards, or sheets dealing with the Pan American Bank for the years 1961 and 1962; and all correspondence files dealing with the bank for the same years.

The memorandum pointed out that this request was incident to a Federal grand jury investigation being conducted in the Southern Judicial District of Florida concerning what was believed by the Government to be an insurance program fraud. The insurance fraud
scheme was alleged to have involved one or more loans made by Pan American Bank, and in this connection the Department was seeking certain information from examination records.

The memorandum went on to note that any documents made available would be retained by a Federal Deposit Insurance Corporation Examiner, Thomas E. Lindsey, who was on loan from the Corporation in the joint capacity of advisor to the United States Attorney and special agent to the Federal grand jury. Under the Department of Justice proposal, any documents that the Board might authorize the Federal Reserve Bank of Atlanta to make available would be placed in the possession of Examiner Lindsey, and by him made available to the United States Attorney and other representatives of the Justice Department. Use of the documents would be restricted to obtaining background information; the contents would not be used in evidence.

It was pointed out that the Justice Department's request had been discussed with First Vice President Patterson and Vice President Denman of the Federal Reserve Bank of Atlanta and with Messrs. Solomon and Benner of the Board's Division of Examination. Some concern had been expressed about the release of some of the information requested, particularly the confidential sections of the reports of examination. Subsequently, the matter had been discussed with the Justice Department, and the Department advised that in view of the questions raised, permission for access to information along the following lines would be satisfactory:
(1) The Department of Justice considered study of both the open and confidential sections of the reports of examination as an essential part of its investigation and requested Board authorization for access to the open and confidential sections.

(2) The Department would be satisfied if the Board would authorize Examiner Lindsey to review the line cards in the Reserve Bank for the purpose of specifically designating those which appeared to relate to the scope of the grand jury's investigation. Thereafter, copies of such cards could be made by the Reserve Bank and given to Mr. Lindsey under such conditions as the Board might impose.

(3) The Department of Justice would be satisfied if the Board authorized access to correspondence exchanged between the Reserve Bank and Pan American Bank for the years 1961 and 1962.

The Legal Division memorandum stated that it was the view of the Division, concurred in by the Division of Examinations, that access to the examiners' loan line data and correspondence files should be authorized by the Board. It was proposed that the examiners' loan line cards be reviewed at the Atlanta Reserve Bank by Examiner Lindsey and that photostatic or other copies be made only of those cards considered pertinent to the grand jury investigation. Also, copies of correspondence between the Reserve Bank and Pan American Bank would be prepared and given to Mr. Lindsey to be retained by him in the same manner, for the same purposes, and for the same length of time as authorized for the copies of the loan line cards. With respect to open sections of the reports of examination for the years 1961 and 1962, the Examinations and Legal Divisions concurred in recommending that photostatic copies be prepared and made available to the Justice Department through Examiner Lindsey. The Legal Division further recommended that the confidential
sections of the reports of examination be made available on the same terms. This position was reflected in draft letters to the Department of Justice and the Federal Reserve Bank of Atlanta.

At the Board's request, Mr. O'Connell made a statement regarding the facts of the matter, his comments being based substantially on the information presented in the memorandum of September 19. During the course of his comments, Mr. O'Connell noted that if the Board were to refuse the Justice Department's request, the grand jury might issue a subpoena for production of the documents. In that event, if the Board were unsuccessful in resisting the subpoena, the material would then have to be furnished to the grand jury.

Governor Robertson said he would suggest that the confidential sections not be made available, but that the other information requested be furnished. If, however, after reviewing the open sections and other material, the Justice Department was of the opinion that there might be information in the confidential sections that would bear directly on the grand jury investigation, specific subjects could be identified to officers of the Atlanta Reserve Bank, who could then review the confidential sections for the purpose of ascertaining the presence of relevant information.

Governor Mills stated that his attitude toward the request was identical to the approach he took in the case involving the North Shore Bank, Miami Beach, Florida, on which he had dissented on a similar request by the Justice Department. He had hoped that the experience with that
case would have deterred any repetition of what he considered a breach of confidentiality. A bank that was under Federal Reserve supervision exposed itself and its operations through the examination process. To release this information to another agency, and particularly to a Federal agency that was developing a case for prosecution was, in his thinking, a complete breach of the confidentiality that had been recognized in the banking fraternity over a great many years. He would not release the information except under subpoena, and then under protest.

Governor Mills went on to say that he thought the Board was interpreting the law rather than following it. Within the Federal Reserve Act authorization was given for the release of certain documents and information, but that authorization allowed a certain latitude to the Board. In this case it was his opinion that it would be improper to release the information requested. With respect to the Board's Rules of Organization and Procedure, he had contested the insertion of a provision permitting release of confidential information to any agency, except and unless such a request was fully within the context of general statutory authority.

In further discussion, Governor Robertson said that he would approve the recommendation of the Legal Division and the draft letters, except that he would suggest that the confidential sections of the examination reports be handled in the manner that he had described earlier. Governor Shepardson stated that he found merit in the
suggestion by Governor Robertson, if the matter could be handled effectively in that manner. Governor Balderston indicated that he also agreed with Governor Robertson's view. He was in favor of narrowing the availability of the information to as few persons as possible.

At the conclusion of the discussion, the request of the Justice Department was approved, subject to the understanding that the confidential sections of the reports of examination of the Pan American Bank for the years 1961 and 1962 would be handled in the manner suggested by Governor Robertson. Governor Mills dissented from this action for the reasons he had indicated during the discussion.

Copies of the letters sent to the Department of Justice and the Federal Reserve Bank of Atlanta pursuant to this action are attached to these minutes as Items 7 and 8.

The meeting then adjourned.

Secretary's Note: Governor Shepardson today approved on behalf of the Board the recommendation contained in a memorandum from the Division of Research and Statistics that the appointment of Peter Berman as Research Assistant (Summer) in that Division be continued until about February 15, 1964, at the same annual salary rate of $5,540.
Board of Directors,
The Marine Midland Trust Company of New York,
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment of a branch at 777 Third Avenue, Borough of Manhattan, New York, New York, by The Marine Midland Trust Company of New York, provided the branch is established within six months from the date of this letter.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,
Assistant Secretary.

(The letter to the Reserve Bank stated that the Board also had approved a six-month extension of the period allowed to establish the branch; and that if an extension should be requested, the procedure prescribed in the Board's letter of November 9, 1963 (S-1846), should be followed.)
September 24, 1963.

(1) Financial General Corporation, Washington, D. C.

B. Citizens National Bank in Pocomoke City, Pocomoke City, Maryland.

The Peoples National Bank of Leesburg, Leesburg, Virginia.

C. (1) Prior to issuance of permit authorized herein, Applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (F.R.L.S. #7190), (2) simultaneously with issuance of general voting permit authorized herein, there shall be issued to The Morris Plan Corporation, Distributors Discount Corporation, National Insurors & Credit Corporation, and American Installment Credit Corporation, the general voting permits authorized in Board's telegrams of this date. STOP. The Board has noted the change in Applicant's reporting procedure, from carrying investments in subsidiary companies on a valuation basis to a cost basis. In order that there be no future misunderstanding regarding this matter, please advise Applicant of the Board's view (see, e.g., Trans-Nebraska Co., 49 F. R. Bulletin 633, 637 (May 6, 1963)) that, in reports to the Board, shareholders, and the public, holding company affiliates and bank holding companies should reflect in their assets their aggregate investment in stock of subsidiaries at not more than their proportionate interest in the aggregate net assets of such subsidiaries stated in accordance with generally accepted accounting principles. STOP. Please forward to New York Reserve Bank copies of permits issued by your Bank to The Morris
Plan Corporation and Distributors Discount Corporation, and forward to Chicago Reserve Bank a copy of the permit issued to National Insurors & Credit Corporation.

(Signed) Elizabeth L. Carmichael

CARMICHAEL

Definition of KEBJE

The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).
September 24, 1963.

HYDE -- RICHMOND

KEBJE


B. Citizens National Bank in Pocomoke City, Pocomoke City, Maryland.

C. (1) Prior to issuance of permit authorized herein, Applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (F.R.L.S. #7190), (2) simultaneously with issuance of general voting permit authorized herein, there shall be issued to Financial General Corporation, Distributors Discount Corporation, National Insurors & Credit Corporation, and American Installment Credit Corporation, the general voting permits authorized in Board's telegrams of this date.

(Signed) Elizabeth L. Carmichael

CARMICHAEL

Definition of KEBJE

The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).
Distributors Discount Corporation, New York, New York.

Citizens National Bank in Pocomoke City, Pocomoke City, Maryland.

(1) Prior to issuance of permit authorized herein, Applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (F.R.L.S. #7190), (2) simultaneously with issuance of general voting permit authorized herein, there shall be issued to Financial General Corporation, The Morris Plan Corporation, National Insurors & Credit Corporation, and American Installment Credit Corporation, the general voting permits authorized in Board's telegrams of this date.

(Signed) Elizabeth L. Carmichael

Definition of KEBJE

The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).
HYDE — RICHMOND

A. National Insurors & Credit Corporation, Des Moines, Iowa.
C. (Signed) Elizabeth L. Carmichael

(Signed) Elizabeth L. Carmichael

CARMICHAEL

Definition of KEBJE

The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).
September 24, 1963.

American Installment Credit Corporation, Washington, D.C.
The Peoples National Bank of Leesburg, Leesburg, Virginia.

A. American Installment Credit Corporation, Washington, D.C.
C. (1) Prior to issuance of permit authorized herein, Applicant shall execute and deliver to you in duplicate an agreement in form accompanying Board's letter S-964 (F.R.L.S. #7190),

(2) simultaneously with issuance of general voting permit authorized herein, there shall be issued to Financial General Corporation, The Morris Plan Corporation, Distributors Discount Corporation, and National Insurers & Credit Corporation, the general voting permits authorized in Board's telegrams of this date.

(Signed) Elizabeth L. Carmichael

CARMICHAEL

Definition of KEBJE

The Board authorizes the issuance of a general voting permit, under the provisions of section 5144 of the Revised Statutes of the United States, to the holding company affiliate named below after the letter "A", entitling such organization to vote the stock which it owns or controls of the bank(s) named below after the letter "B" at all meetings of shareholders of such bank(s), subject to the condition(s) stated below after the letter "C". The period within which a permit may be issued pursuant to this authorization is limited to thirty days from the date of this telegram unless an extension of time is granted by the Board. Please proceed in accordance with the instructions contained in the Board's letter of March 10, 1947, (S-964).
The Honorable Herbert J. Miller, Jr.,
Assistant Attorney General,
Criminal Division,
Department of Justice,
Washington, D. C. 20530

Dear Mr. Miller:

This is in reply to your letter of September 4, 1963, advising that, in connection with a Federal grand jury investigation being conducted in the Southern Judicial District of Florida, you wish to have made available to your staff certain reports and records of the Board relating to the Pan American Bank of Miami, Florida, which documents are located in the Federal Reserve Bank of Atlanta. You request that these documents be made available through Federal Deposit Insurance Corporation Examiner Thomas E. Lindsey in whose custody, as an agent of the grand jury, the documents would be placed and retained. The documents requested are:
(a) the open and confidential sections of reports of examination of the Pan American Bank for the years 1961 and 1962; (b) all examiners' loan line slips, cards, or sheets dealing with the Pan American Bank for the years 1961 and 1962; and (3) all correspondence files dealing with the Pan American Bank for the years 1961 and 1962.

It is understood that subsequent to the receipt of your letter, conversations have taken place between Mr. Robert Peloquin of the Department's Criminal Division and Mr. Thomas J. O'Connell of the Board's legal staff in which certain questions were raised and discussed relating to the scope and nature of the Department's request. As a result of these conversations, it is further understood that Mr. Peloquin, on behalf of the Department, has agreed that certain modifications in respect to the original request would be satisfactory to the Department. The Board's approval hereinafter given is premised upon and reflects these modifications.

The Board agrees to make available copies of the open sections of the reports of examination of Pan American Bank for the years 1961 and 1962, such copies to be prepared by the staff of the Federal Reserve Bank of Atlanta. For the time being, the Board declines
to make available to the Department copies of the confidential sections of the above reports of examination. Following study of the open sections of those reports, however, if the Department is of the opinion that there might be information in the confidential sections of any of the reports for the years 1961 and 1962 that bears directly on the grand jury investigation and will identify the specific subjects, Vice President Denmark of the Federal Reserve Bank of Atlanta will review those confidential sections for the purpose of ascertaining the presence of such information. Any such information will then be made available to the Department's representative.

The Board authorizes FDIC Examiner Lindsey to study, under arrangements agreeable to officials of the Federal Reserve Bank of Atlanta, all examiners' loan line cards relating to the 1961 and 1962 examinations of the Pan American Bank, it being understood that the originals of such line cards are not to be removed from the Federal Reserve Bank and that the Bank is to make copies only of such loan line cards as may be determined to be reasonably related to the scope of the grand jury's investigation. The Board further authorizes the furnishing by the Federal Reserve Bank of Atlanta of copies of correspondence exchanged between that Bank and Pan American Bank for the years 1961 and 1962.

The foregoing authorizations are given with the understanding that the contents of the documents to which the Department's access is herein authorized will not be used as evidence either before the grand jury or in any court proceedings, but rather, only as background information incident to the pending grand jury investigation, and with the further understanding that the documents placed in Examiner Lindsey's custody will remain at all times in his custody, to be returned by him to the Federal Reserve Bank of Atlanta within 30 days of the date upon which he takes possession of them.

The Board's action in this matter has been taken in accordance with section 261.2(c) of the Board's Rules Regarding Information, Submittals, and Requests which provides, in part, that

"The Board . . . may make available to . . . agencies of the United States . . . reports of examination and other information, for use where necessary in the performance of their official duties . . . ."
The Honorable Herbert J. Miller, Jr. -3-

A copy of this letter is being sent to President Malcolm Bryan, Federal Reserve Bank of Atlanta. A copy of the Board's letter to President Bryan is enclosed for your information. It is suggested that your representatives contact President Bryan in regard to arrangements for access to the documents as herein authorized.

Sincerely yours,

(Signed) Wm. McC. Martin, Jr.

Wm. McC. Martin, Jr.

Enclosure
September 24, 1963.

Mr. Malcolm Bryan, President,
Federal Reserve Bank of Atlanta,
Atlanta, Georgia. 30303

Dear Mr. Bryan:

There is enclosed a copy of a letter to Chairman Martin, dated September 4, 1963, from Mr. Herbert J. Miller, Jr., Assistant Attorney General, Criminal Division, Department of Justice, requesting certain documents in the possession of the Federal Reserve Bank of Atlanta, to be used by the Department's staff in connection with a Federal grand jury investigation being conducted in Miami, Florida. As set forth in Mr. Miller's letter, the request is for documents relating to the Pan American Bank of Miami, Florida, for the years 1961 and 1962. It is understood that this request has been discussed briefly between members of the Board's staff and Messrs. Harold T. Patterson and J. E. Denmark of your Bank.

As reflected in the Chairman's reply of this date to Mr. Miller, a copy of which is also enclosed, the Board authorizes you to make available to Federal Deposit Insurance Corporation Examiner Thomas E. Lindsey, as an agent of the grand jury, photostatic copies of the open section of the reports of examination of the Pan American Bank of Miami for the years 1961 and 1962. You will note that, for the time being, the Board has declined to make available to the Department copies of the confidential sections of the 1961 and 1962 reports of examination; but that, following study of the open sections of the reports, if the Department is of the opinion that the confidential sections contain information bearing directly on the grand jury investigation and identify to Vice President Denmark the specific subjects concerned, Mr. Denmark may review the confidential sections of the reports for the purpose of ascertaining the presence of such information. If found, the Board authorizes the same to be made available to the Department's representative.

Authorization is also given to placing in Examiner Lindsey's possession prepared copies of correspondence exchanged between your Bank and the Pan American Bank for the years 1961 and 1962. As to
the examiners' loan line cards prepared in the course of the 1961 and 1962 examinations of Pan American Bank, following the study of these cards at your Bank by Examiner Lindsey and a person or persons of the Bank's staff whom you may designate, you are authorized to place in Examiner Lindsey's possession prepared copies of such of the line cards for the two years mentioned as are determined to bear upon the grand jury investigation of which Examiner Lindsey has knowledge.

The foregoing authorization is given with the understanding that custody of the documents mentioned is to be retained at all times by Examiner Lindsey; that neither the documents nor their contents will be used as evidence either before the grand jury or in any court proceedings, but only as background information incident to the pending grand jury investigation; and that all documents received by Examiner Lindsey pursuant to this authorization will be returned by him to the Federal Reserve Bank of Atlanta within 30 days of the date upon which he takes possession of them.

It will be noted that the Department's representatives have been advised to contact you in regard to arranging the details for Examiner Lindsey's access to the materials mentioned. A copy of this letter has been enclosed with the Chairman's reply to Mr. Miller.

Very truly yours,

(Signed) Merritt Sherman

Merritt Sherman,
Secretary.

Enclosures