

Minutes for November 4, 1966

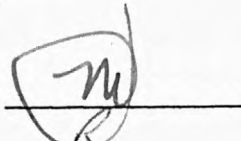
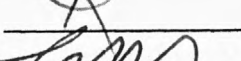
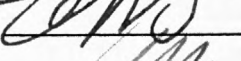
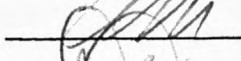
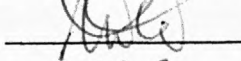
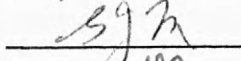
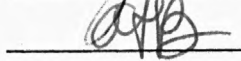
To: Members of the Board

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	<u></u>
Gov. Robertson	<u></u>
Gov. Shepardson	<u></u>
Gov. Mitchell	<u></u>
Gov. Daane	<u></u>
Gov. Maisel	<u></u>
Gov. Brimmer	<u></u>

Minutes of the Board of Governors of the Federal Reserve System on Friday, November 4, 1966. The Board met in the Board Room at 10:30 a.m.

PRESENT: Mr. Robertson, Vice Chairman  
Mr. Daane  
Mr. Maisel  
Mr. Brimmer

Mr. Kenyon, Assistant Secretary  
Mr. Bakke, Assistant Secretary  
Mr. Young, Senior Adviser to the Board and  
Director, Division of International Finance  
Mr. Holland, Adviser to the Board  
Mr. Solomon, Adviser to the Board  
Mr. Molony, Assistant to the Board  
Mr. Cardon, Legislative Counsel  
Mr. Hackley, General Counsel  
Mr. Solomon, Director, Division of Examinations  
Mr. O'Connell, Assistant General Counsel  
Mr. Leavitt, Assistant Director, Division of  
Examinations  
Mr. Forrestal, Senior Attorney, Legal Division

Messrs. Brill, Koch, Axilrod, Eckert, Keir,  
Bernard, Ettin, Fry, Kelty, and Rosenblatt,  
and Mrs. Peskin of the Division of Research  
and Statistics

Messrs. Sammons, Katz, Gemmill, Baker, and  
Ruckdeschel of the Division of International  
Finance

Money market review. Mr. Kelty commented on the money and capital markets, and Mr. Fry discussed projections of bank reserve utilization. Copies of tables and statistical material distributed in connection with these presentations have been placed in the Board's files.

Mr. Ruckdeschel reviewed developments concerning the gold and foreign exchange markets, the Italian and French balance of payments

11/4/66

-2-

position, activity under "swap" agreements, and the liabilities of U.S. banks to their foreign branches.

All members of the staff except Messrs. Kenyon, Bakke, Molony, Cardon, Hackley, Solomon (Examinations), O'Connell, Leavitt, and Forrestal then withdrew and the following entered the room:

Mr. Smith, Assistant Director, Division of Examinations  
Mr. Egertson, Supervisory Review Examiner, Division of Examinations

Discount rates. The establishment without change by the Federal Reserve Banks of New York, Philadelphia, Chicago, Kansas City, and San Francisco on November 3, 1966, of the rates on discounts and advances in their existing schedules was approved unanimously, with the understanding that appropriate advice would be sent to those Banks.

Approved letters. The following letters, copies of which are attached under the respective item numbers indicated, were approved unanimously following consideration of background materials that had been made available to the members of the Board:

	<u>Item No.</u>
Letter to Hagerstown Trust Company, Hagerstown, Maryland, approving the establishment of a branch in Village Downs, Washington County.	1
Letter to American Bank & Trust Company, New York, New York, granting an extension of time to establish a branch at 562 Fifth Avenue.	2
Letter to the Federal Deposit Insurance Corporation regarding the application of Moore State Bank, Llano, Texas, for continuation of deposit insurance after withdrawal from membership in the Federal Reserve System.	3

11/4/66

-3-

Item No.

Letter to First National City Bank, New York,  
New York, granting an extension of time to  
establish a branch in Managua, Nicaragua.

4

Report on competitive factors. A report to the Comptroller of the Currency on the competitive factors involved in the proposed merger of Timbermens National Bank, Hoquiam, Washington, into National Bank of Washington, Tacoma, Washington, was approved unanimously for transmittal, the conclusion reading as follows:

Little or no competition now exists between Timbermens National Bank of Hoquiam and National Bank of Washington, Tacoma, a subsidiary of Western Bancorporation, Los Angeles, California, a registered bank holding company. Consummation of the proposal would, however, increase the already high level of banking concentration in the State of Washington, and in this respect the competitive effect of the proposal is adverse.

Mr. Egertson then withdrew from the meeting.

Fiscal agency services for Asian Development Bank (Item No. 5).

There had been distributed a memorandum from the Legal Division dated November 1, 1966, regarding a letter from the Federal Reserve Bank of New York of October 21 advising that the Bank had been authorized by the Secretary of the Treasury to open an account, as fiscal agent of the United States, in the name of the Secretary General of the United Nations as trustee for the Asian Development Bank. This account had been opened for the purpose of receiving subscription payments paid to the Secretary General by member countries pending organization of the Asian Development Bank as an operating institution.

11/4/66

-4-

The New York Reserve Bank also advised that it expected the Asian Development Bank to request that an account be opened in its name after the inaugural meeting of that Bank, scheduled to be held in Tokyo on November 24-26, 1966. The new account would be opened in the first instance for the purpose of receiving all assets held by the New York Reserve Bank in the account of the Secretary General of the United Nations as trustee for the Asian Development Bank.

The account opened for the Secretary General of the United Nations as trustee for the Asian Development Bank was authorized and requested, pursuant to section 15 of the Federal Reserve Act (which provides that the Reserve Banks shall act as fiscal agents of the United States when required to do so by the Secretary of the Treasury), in a letter to the President of the New York Reserve Bank from the Treasury Department dated September 16, 1966.

The authorization for Reserve Banks to act as depositories or fiscal agents for the Asian Development Bank is contained in section 6 of the Asian Development Bank Act (Public Law 89-369, approved March 16, 1966), which provides that -

"Any Federal Reserve bank which is required to do so by the [Asian Development] Bank shall act as its depository or as its fiscal agent, and the Board of Governors of the Federal Reserve System shall supervise and direct the carrying out of these functions by the Federal Reserve banks."

The fiscal agency functions to be performed for the Asian Development Bank would be similar to those presently carried on by the

11/4/66

-5-

New York Reserve Bank for the International Monetary Fund, the International Bank for Reconstruction and Development, and the Inter-American Development Bank. The proposed fiscal agency agreement between the New York Reserve Bank and the Asian Development Bank would contain provisions for reimbursing the New York Reserve Bank for all of the usual charges and necessary out-of-pocket expenses incurred in connection with the operation of the account. The Asian Development Bank also would agree to indemnify the New York Reserve Bank and to hold it harmless from and against all liabilities, charges, losses, costs, damages, and expenses arising out of or in connection with the account of the Bank on the books of the New York Reserve Bank or any other transactions.

Attached to the memorandum was a draft of letter expressing approval of the New York Reserve Bank acting as depository and fiscal agent of the Asian Development Bank.

The letter was approved unanimously. A copy is attached as Item No. 5.

Mr. Forrestal then withdrew from the meeting.

Biennial conference of Auditors. There had been distributed a memorandum from the Division of Examinations dated November 1, 1966, requesting approval for a conference of General Auditors of the Federal Reserve Banks during March or April 1967, the specific dates to be fixed at a later time.

The meeting would afford an occasion for comprehensive review of auditing practices in the Reserve Banks and provide the General Auditors

11/4/66

-6-

an opportunity to exchange views among themselves and with Board personnel on current and prospective developments of interest in their field.

The "statement of principles" adopted by the Chairmen's Conference in October 1942 provided that conferences of General Auditors shall be called by the Chairmen's Conference, or the Chairman thereof, or the Board of Governors after consultation with each other. The memorandum stated that if the Board approved the calling of the conference, an opportunity would be afforded Chairman Tarver of the Chairmen's Conference to express his views before any further action was taken.

The proposed conference was authorized, subject to consultation with Chairman Tarver.

Mr. Smith then withdrew from the meeting.

Bank of Dublin matter (Item No. 6). By order dated April 12, 1965, the Board approved an application under the Bank Holding Company Act by The First Virginia Corporation, Arlington, Virginia, a registered bank holding company, for permission to acquire 80 per cent or more of the voting shares of Peoples Bank of Radford, Radford, Virginia, a non-member insured State bank.

On or about April 26, 1965, it became known to Federal and State supervisory authorities that assets in excess of \$700,000 on the books of Bank of Dublin, Incorporated, Dublin, Virginia, a member State bank, were worthless, being largely based upon fraudulent notes, collateral paper, and other documents. These loans represented more than one-third

11/4/66

-7-

of the total loans of Bank of Dublin, and in order to prevent the bank's closing, the Federal Reserve Bank of Richmond and the Federal Deposit Insurance Corporation approached First Virginia Corporation with a proposal for merger between Peoples Bank of Radford and Bank of Dublin, pending consummation of which First Virginia Corporation would protect the solvency of Bank of Dublin by depositing \$730,000 for that bank's account with Peoples Bank of Radford. The proposal was accepted by First Virginia Corporation, and the deposit of funds made.

On or about June 28, 1965, acquisition of shares of Peoples Bank of Radford by First Virginia Corporation was consummated and the bank assumed the status of a subsidiary of the holding company. On or about July 1 the proposed merger between Peoples Bank of Radford and Bank of Dublin was consummated, pursuant to prior approval of the Federal Deposit Insurance Corporation under the emergency provisions of the Bank Merger Act, under the charter of the former and with the new title Bank of New River Valley.

Thereafter, First Virginia Corporation, on behalf of its subsidiary Bank of New River Valley, commenced preparation of a claim under the bankers blanket bond that had been issued to Bank of Dublin by Fidelity and Deposit Company of Maryland, Baltimore, Maryland. In this connection, First Virginia Corporation submitted a request to the Board for access to the confidential sections of reports of examination of Bank of Dublin as of January 25 and May 3, 1965, and also any other materials or documents



11/4/66

-8-

that might support its claim. A search of the Board's files incident to this request had indicated that two particular documents might be useful to First Virginia Corporation's purpose; the first (notes of a meeting on May 1, 1965, among representatives of the Federal Deposit Insurance Corporation, the Richmond Reserve Bank, and Bank of Dublin) had been prepared by the Federal Deposit Insurance Corporation and the second by the Federal Bureau of Investigation. The staff of the Corporation had advised informally that there would be no objection to the Board making a copy of the first document available for inspection by First Virginia Corporation; the Federal Bureau of Investigation, however, had asked that its authorization for inspection of the second document (which was subsequently denied) be requested in writing.

At its meeting of October 4, 1965, the Board authorized representatives of First Virginia Corporation to read, at the Board's offices, the confidential sections of the requested reports of examination and the Federal Deposit Insurance Corporation document.

Following submission of the claim to the bonding company, counsel for the company submitted a request to the Federal Reserve Bank of Richmond, dated March 17, 1966, for permission to inspect the reports of examination of Bank of Dublin as of April 2, 1962, February 11, 1963, May 30, 1964, and January 25, 1965, as well as "other documents" relating to Bank of Dublin and its successor, Bank of New River Valley. This request was forwarded to the Board, and by letter of April 13, 1966, the Richmond

11/4/66

-9-

Reserve Bank was authorized to allow the bonding company's counsel access to the open sections of the first three reports of examination cited, the open and confidential sections of the fourth, and the notes of the May 1, 1965, meeting among representatives of the Federal Deposit Insurance Corporation, the Richmond Reserve Bank, and Bank of Dublin.

Thereafter, on April 22, 1966, the Richmond Reserve Bank forwarded to the Board a letter from the bonding company's counsel requesting access to the open and confidential sections of the May 3, 1965, report of examination of Bank of Dublin and to documents related thereto, including examiners' work papers. Under date of June 21, 1966, the Richmond Reserve Bank was authorized to comply with the request.

Mr. O'Connell now reported that the claim under the bankers blanket bond had been disallowed by the bonding company, and suit had been filed against the company seeking recovery of the amount claimed. In this connection, counsel for the claimant has caused a subpoena to be issued to Vice President Nosker of the Richmond Reserve Bank directing him to appear on Monday, November 7, at the offices of counsel for the claimant for the purpose of giving his deposition concerning matters of personal knowledge relative to the subject matter of the suit, and to bring with him all materials in the Reserve Bank's files relating to Mr. R. L. Evans, formerly Executive Vice President of the Bank of Dublin, to Bank of Dublin itself, and to the successor Bank of New River Valley.

Mr. O'Connell stated that this subpoena had been forwarded to the Board by counsel for the Richmond Reserve Bank. In discussions with

11/4/66

-10-

Reserve Bank counsel Mr. O'Connell had expressed the opinion that the subpoena was cast in sweeping terms and that counsel for the claimant should be requested to withdraw it and substitute a subpoena demanding only reports of examination of Bank of Dublin from 1962 through the time of its merger with Peoples Bank of Radford, copies of correspondence between the Richmond Reserve Bank and Bank of Dublin during this period, and testimony concerning statements that may have been made to Mr. Nosker by Mr. Evans regarding the contents of the above-mentioned reports of examination. Mr. O'Connell also commented that he had suggested an attempt be made to have the deposition rescheduled for a date later than November 7.

Mr. O'Connell requested permission to prepare and transmit a letter to the Richmond Reserve Bank authorizing Mr. Nosker to appear for the deposition on November 7 or such other date as might be fixed; to have in his possession examination reports and related work papers of Bank of Dublin for the period 1962-65; to allow inspection of, and to answer questions concerning, the open sections and associated work papers of all such reports, but to limit inspection of and comments concerning confidential sections to those previously made available to the parties--i.e., the reports of January 25 and May 3, 1965; to testify as to his personal knowledge of any statements made by Mr. Evans concerning the contents of the examination reports in question; and to have in his possession the document concerning the May 1, 1965, meeting among representatives of the

11/4/66

-11-

Richmond Reserve Bank, the Federal Deposit Insurance Corporation, and Bank of Dublin.

In the event counsel for the claimant could not be induced to recast the subpoena to limit its scope to the testimony and documents mentioned above, Mr. O'Connell recommended that Mr. Nosker appear as directed at the time set for the deposition and decline to be examined or to produce documents requested, thereby laying the foundation for a judicial determination whether the scope of the subpoena should not properly be narrowed.

In conclusion, Mr. O'Connell indicated that counsel for the claimant had also stated the intention to subpoena for deposition the Federal Reserve examiner-in-charge at the May 3, 1965, examination of Bank of Dublin. This man was presently hospitalized with a serious illness, and therefore Mr. O'Connell recommended that the Board inform the Richmond Reserve Bank that his testimony would not be authorized at this time.

Following brief discussion, preparation and transmittal of a letter to the Reserve Bank embodying the points suggested above was authorized unanimously. A copy of the letter in the form transmitted is attached as Item No. 6.

The meeting then adjourned.

Secretary's Notes: On November 3, 1966, Governor Robertson, acting in the absence of Governor Shepardson, approved on behalf of the Board the following items:

11/4/66

-12-

Letter to Mrs. Marie Françoise Irion, Washington, D. C., confirming arrangements for her to conduct a course in Conversational French for members of the Board's staff as an activity of the Board's Employee Training and Development Program at a fee of \$8 for each session conducted.

Telegram to the Federal Reserve Bank of Atlanta (copy attached as Item No. 7) approving the appointment of Warren A. Kohn as assistant examiner.

Letter to the Federal Reserve Bank of St. Louis (copy attached as Item No. 8) approving the appointment of Kenneth P. Spencer as assistant examiner.

Acting in the absence of Governor Shepardson, Governor Robertson today approved on behalf of the Board memoranda recommending the following actions relating to the Board's staff:

#### Appointments

Jan W. Karcz as Economist, Division of International Finance, with basic annual salary at the rate of \$9,851, effective the date of entrance upon duty.

Carthell H. Taliaferro as Messenger, Division of Administrative Services, with basic annual salary at the rate of \$3,609, effective the date of entrance upon duty.

#### Salary increases, effective November 6, 1966

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Research and Statistics</u>			
Judith A. Ziobro, Research Assistant		\$ 7,516	\$ 7,957
<u>International Finance</u>			
Denise C. Blackburn, Statistical Assistant		5,331	5,507
<u>Examinations</u>			
Jerry B. Riley, Senior Federal Reserve Examiner		14,217	15,629
Carol Ann Slocombe, Assistant Supervisor, Recording and Stenographic Section		6,263	6,461

11/4/66

-13-

4134

Salary increases, effective November 6, 1966 (continued)

<u>Name and title</u>	<u>Division</u>	<u>Basic annual salary</u>	
		<u>From</u>	<u>To</u>
<u>Administrative Services</u>			
Raymond R. Sine, Guard		\$4,557	\$4,701
James T. Stewart, Senior Mail Clerk		5,896	6,056
<u>Data Processing</u>			
John A. Devera, Control Clerk		4,776	4,936

Maternity leave

Linda Kay Goukler, Records Clerk, Office of the Secretary, beginning the close of business November 18, 1966.

Acceptance of resignation

Charlene Gail Roberts, Secretary, Division of Research and Statistics, effective the close of business November 21, 1966.

Permission to engage in outside activity

Eleanor J. Stockwell, Senior Economist, Division of Research and Statistics, to prepare an article on corporate wealth for Finance Magazine.

  
Assistant Secretary

Item No. 1  
11/4/66

**BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM**  
WASHINGTON, D. C. 20551

**ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD**

November 4, 1966

Board of Directors,  
Hagerstown Trust Company,  
Hagerstown, Maryland.

Gentlemen:

The Board of Governors of the Federal Reserve System approves the establishment by Hagerstown Trust Company, Hagerstown, Maryland, of a branch on Maryland Route 632 at Village Downs in Washington County, Maryland, provided the branch is established within one year from the date of this letter.

Very truly yours,

(Signed) Karl E. Bakke

**Karl E. Bakke,  
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, 1962 (S-1846), should be followed.)

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

Item No. 2  
11/4/66



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 4, 1966

Board of Directors,  
American Bank & Trust Company,  
New York, New York.

Gentlemen:

The Board of Governors of the Federal Reserve System extends to July 12, 1967, the time within which American Bank & Trust Company, New York, New York, may establish a branch at 562 Fifth Avenue, Borough of Manhattan, New York, New York.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

Item No. 3  
11/4/66



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 4, 1966

The Honorable K. A. Randall, Chairman,  
Federal Deposit Insurance Corporation,  
Washington, D. C. 20429

Dear Mr. Randall:

Reference is made to your letter of October 27, 1966, concerning the application of Moore State Bank, Llano, Texas, for continuance of deposit insurance after withdrawal from membership in the Federal Reserve System.

There have been no corrective programs urged upon the bank, or agreed to by it, which have not been fully consummated, and there are no programs that the Board would advise be incorporated as conditions of admitting the bank to membership in the Corporation as a nonmember of the Federal Reserve System.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

Item No. 4  
11/4/66



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 4, 1966

First National City Bank,  
399 Park Avenue,  
New York, New York. 10022

Gentlemen:

As requested in your letter of October 5, 1966, the Board of Governors extends to July 1, 1967, the time within which your bank may establish the branch in Managua, Nicaragua, authorized in the Board's letter of December 10, 1965.

Please inform the Board of Governors, through the Federal Reserve Bank of New York, when the branch is opened for business, furnishing information as to the exact location of the branch.

Very truly yours,

(Signed) Karl E. Bakke

Karl E. Bakke,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

Item No. 5  
11/4/66



ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 4, 1966.

Mr. B. K. MacLaury,  
Assistant Vice President,  
Federal Reserve Bank of New York,  
New York, New York. 10045

Dear Mr. MacLaury:

This refers to your letter of October 21, 1966, in which you advised the Board that, pursuant to authorization of the Secretary of the Treasury under section 15 of the Federal Reserve Act, you have opened an account, as fiscal agent of the United States, in the name of the Secretary General of the United Nations as trustee for the Asian Development Bank. It is understood that this account has been established in connection with subscription payments paid to the Secretary General by member countries, including the United States, pending organization of the Asian Development Bank as an operating institution.

The Board was further advised that, on the basis of information received by you from representatives of the Treasury Department and the United Nations, it is expected that the Asian Development Bank will request you to open an account on your books and instruct you to receive all assets held at that time in the account of the Secretary General of the United Nations as trustee for the Asian Development Bank.

The Board is entirely agreeable to your Bank acting as depository and fiscal agent of the Asian Development Bank pursuant to section 6 of the Asian Development Bank Act (Public Law 89-369, approved March 16, 1966; 80 Stat. 71). The Board also approves the execution by your Bank of an agreement substantially in the form of the draft dated October 17, 1966, enclosed with your letter. It is understood, of course, that any subsequent amendment to the agreement will be made only with the approval of the Board, and we will appreciate your keeping the Board informed of any significant developments in connection with the exercise of the depository or fiscal agency functions performed for the Asian Development Bank.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON, D. C. 20551

Item No. 6  
11/4/66

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 4, 1966

Mr. W. S. Farmer, Vice President  
and General Counsel,  
Federal Reserve Bank of Richmond,  
Richmond, Virginia. 23213

Re: Bank of Dublin, Inc., et al. v. Fidelity &  
Deposit Company of Maryland, No. 4045

Dear Mr. Farmer:

This acknowledges your letter of October 31, 1966, enclosing a subpoena issued on behalf of plaintiff in the above case requiring Vice President Nosker of your Bank to appear on November 7, 1966, at 10 a.m., in the State-Planters Bank Building, Richmond, to testify and to produce the documents specified in the subpoena under discussion.

Mr. O'Connell of the Board's legal staff has advised of conversations with you in this matter and of the understanding reached regarding the extent to which counsel for plaintiff has now informally agreed response to the subpoena may be narrowed. On the basis of this understanding, the Board authorizes Mr. Nosker to appear in response to the subpoena, to testify at the taking of the deposition, and to produce in connection therewith open portions of reports of examination of the Bank of Dublin of April 2, 1962, February 11, 1963, and May 30, 1964, as well as the open and confidential portions of the January 25, 1965, and May 3, 1965 reports of examination of Dublin Bank. Mr. Nosker is also authorized to produce at deposition such work papers as may be determined to relate to the portions of the reports of examination authorized to be produced. The Board further authorizes the production on November 7 of the notes of a conference conducted on May 1, 1965, in the Richmond District Office of the Federal Deposit Insurance Corporation attended by representatives of the FDIC, your Bank, and the Bank of Dublin. Mr. Nosker is further authorized to produce at deposition correspondence and other written materials originated between 1960 and May 1965 that were exchanged between your Bank and the Bank of Dublin.

Mr. W. S. Farmer

-2-

4141

You will note that the response authorized by the Board is more narrow than the demand for production contained in the subject subpoena. It is requested that you or Assistant General Counsel Upshaw accompany Mr. Nosker on November 7 at the taking of the deposition for the explicit purpose of stating on the record that the material produced by Mr. Nosker is responsive to the oral modification of the subpoena made by plaintiff's counsel, and that such response is directly pursuant to, and reflects the extent of, the Board's authorization. It is assumed that you or Mr. Upshaw will take whatever additional steps may appear appropriate to protect fully Mr. Nosker's interests and those of your Bank and the Board.

Mr. O'Connell has advised the Board of a possible continued date for the taking of Mr. Nosker's deposition, and of the fact that plaintiff's counsel has made known his intention to subpoena Mr. E. L. Bennett of your Bank's Examination Department for the purpose of taking his deposition in this matter. The Board's authorization herein granted will apply to any continued date that may be set for Mr. Nosker's deposition. In view of Mr. Bennett's present illness it is assumed that you will take any necessary action to defer response by him to any subpoena that may be issued.

A copy of this letter is enclosed for Mr. Nosker's information.

Very truly yours,

(Signed) Kenneth A. Kenyon

Kenneth A. Kenyon,  
Assistant Secretary.

**TELEGRAM**  
LEASED WIRE SERVICEItem No. 7  
11/4/66**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**  
**WASHINGTON**

November 3, 1966.

**STEPHENSON - ATLANTA**

Reurlet October 31, 1966, Board approves appointment of Warren A. Kohn as assistant examiner for Federal Reserve Bank of Atlanta. Please advise effective date appointment.

(Signed) Elizabeth L. Carmichael

**CARMICHAEL**

BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM

WASHINGTON, D. C. 20551

Item No. 8  
11/4/66

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

November 4, 1966

Mr. O. O. Wyrick, Vice President,  
Federal Reserve Bank of St. Louis,  
St. Louis, Missouri. 63166

Dear Mr. Wyrick:

In accordance with the request contained in your letter of October 31, 1966, the Board approves the appointment of Kenneth P. Spencer as an assistant examiner for the Federal Reserve Bank of St. Louis. Please advise the effective date of the appointment.

It is noted that Mr. Spencer owns ten shares of stock of Peoples Bank and Trust Company, Russellville, Arkansas. Accordingly, the Board's approval of the appointment of Mr. Spencer is given on the condition that he dispose of the stock prior to employment by your bank.

Very truly yours,

(Signed) Elizabeth L. Carmichael

Elizabeth L. Carmichael,  
Assistant Secretary.

