

# FEDERAL RESERVE BOARD

WASHINGTON

X-3589

December 15, 1922.

SUBJECT: Decision of Supreme Court of North Carolina  
on rehearing of Richmond Par Clearance Case.

Dear Sir:

The Federal Reserve Board has just been advised by Counsel to the Federal Reserve Bank of Richmond that the Supreme Court of North Carolina has dismissed the petition of the plaintiffs to rehear the case of Farmers & Merchants Bank, et al. v. Federal Reserve Bank of Richmond, 112 S.E. 252, and has re-affirmed its former decision dismissing the injunction issued by the lower court against the Federal Reserve Bank of Richmond, and declaring unconstitutional the act of the Legislature of North Carolina ratified February 5, 1921, which sought to authorize State banks to impose exchange charges on, and remit by exchange drafts for, checks forwarded through Federal Reserve Banks.

The Board is advised that the court dismissed the petition by a mere memorandum decision and did not modify or supplement its former opinion which was published in the Federal Reserve Bulletin for June, 1922 (page 175 of the short edition and page 701 of the final edition).

Very truly yours,

Vice Governor.

Chairmen of all  
Federal Reserve Banks.