

FEDERAL RESERVE BOARD

WASHINGTON

X-3626

January 31, 1923.

SUBJECT: Employment of Honorable John W. Davis in all Par Clearance Litigation.

Dear Sir:

Under date of November 17, 1922, the Board addressed a circular letter (X-3566) to the Governors and Chairmen of all Federal Reserve Banks suggesting that, in order to obtain unity of policy and coordination of action in the conduct of all cases growing out of the par clearance controversy, all Federal Reserve Banks employ Honorable John W. Davis as special counsel in all such cases to direct the conduct of such litigation by local counsel and to participate actively in the trial of each case to such extent as he deems advisable, the expenses of his employment to be borne pro rata by all the Federal Reserve Banks. The Board has now received replies from all the Federal Reserve Banks approving of the employment of Mr. Davis in this capacity, and it is understood that each Federal Reserve Bank will notify Mr. Davis promptly of all developments in any such case which is now pending against it and of any similar suit which may be brought against it in the future. Of course, it is understood that the Federal Reserve Banks will not dispense with the services of their regular counsel or of any special counsel whom they have retained or desire to retain in such cases, but it is expected that they will request such counsel to consult Mr. Davis as to the conduct of all such litigation and to invite him to participate actively in the trial of each case to such extent as he deems advisable.

In compensating Mr. Davis for his services in this connection, the same practice will be followed as in connection with his employment in the Atlanta case - i.e., after approving the fee charged by Mr. Davis in each case the Board will authorize the Federal Reserve Bank which was a party to that case to pay such fee to Mr. Davis and will notify all of the other Federal Reserve Banks to remit to such bank their proportionate shares of such fee.

By order of the Federal Reserve Board.

Wm. W. Hoxton
Secretary.

Chairmen of all Federal Reserve Banks.