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FEDERAL RESERVE BOARD

WASHINGTON

X-3743
June 13, 1923.

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

SUBJECT: Federal Reserve Banks Held Not Suable in District other than that in which head office is located.

Dear Sir:

For your information as Counsel to the Federal Reserve Bank of _____ I am enclosing herewith a copy of an opinion rendered recently by the United States District Court for the Eastern District of Washington, in the case of Mrs. George T. Bacon v. Federal Reserve Bank of San Francisco, et al., in which it was held that the District Court for the Eastern District of Washington had no jurisdiction of a suit against the Federal Reserve Bank of San Francisco; because that bank is not an "inhabitant" of the State of Washington and Section 51 of the Judicial Code provides that "no civil suit shall be brought in any district court against any person * * * in any other district than that whereof he is an inhabitant," unless the jurisdiction is founded only on the fact that the action is between citizens of different states.

In view of the fact that the Supreme Court of the United States has ruled that every suit against a Federal Reserve Bank is a suit involving a Federal question (American Bank and Trust Company v. Federal Reserve Bank of Atlanta, 256 U. S. 350), it would seem that under this decision Federal Reserve Banks cannot be sued in any district court except that of the district in which its head office is located. Of course this is an extremely important decision from the standpoint of the Federal Reserve Banks.

This opinion was sent to me by Mr. Agnew, Counsel for the Federal Reserve Bank of San Francisco.

Very truly yours,

Walter Wyatt,
General Counsel

(Enclosure)

To Counsel for all F.R. Banks (except San Francisco and Cleveland)