

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARDNovember 18, 1929
St. 6386SUBJECT: Reports of Changes in Status
of Member and Nonmember banks

Dear Sir:

In view of the recent growth in group banking and the large number of mergers which have taken place, the Board wishes to keep a current record of these and other changes affecting both member and nonmember banks, and accordingly five forms have been prepared, sample copies of which are attached, on which the Board would like to have you submit reports once each month. A supply of the forms is being sent to you under separate cover.

The first reports on these forms should cover the period from July 1 to October 31, 1929. The Board would like to have reports submitted as promptly after the first of each month as practicable, and will appreciate advice, when you submit your first reports, of the date in each month that your reports may be expected to reach Washington. The forms enclosed herewith are subject to change in case they do not prove entirely satisfactory for reporting the information desired. If, therefore, your bank has any modifications to suggest, please bring them to the Board's attention at as early a date as convenient, as the forms probably will be printed early next year.

Very truly yours,

R. A. Young,
Governor.

Enclosure

TO ALL FEDERAL RESERVE AGENTS*

MEMORANDUM REGARDING PREPARATION OF REPORTS OF CHANGES
IN STATUS OF MEMBER AND NONMEMBER BANKS

November 18, 1929
St. 6386

Five forms have been prepared for reporting all changes in the status of member and nonmember banks, as follows:

- Form St. 6386a. Bank consolidations
- Form St. 6386b. Bank suspensions
- Form St. 6386c. Organizations, liquidations, conversions and other changes in status of member and nonmember banks.
- Form St. 6386d. Chain or group bank changes
- Form St. 6386e. Branches established or discontinued.

The reports should relate only to active banks, that is to say, they should not cover banks or branches in process of organization, banks chartered but not yet opened for business, rumored consolidations, etc. In case of developments of special importance, however, a preliminary report should be made to the Board.

The effective date of a change for the purpose of these reports should be that on which a bank or branch begins actual banking operations in its new corporate identity -- not the date authorized by the Comptroller of the Currency or State banking department, except where no other date is available, in which case the report should clearly indicate what the date represents. In the case of state banks admitted to membership the date should be that on which the subscription to Federal reserve stock is paid in; and in the case of state banks withdrawn from membership, the date should be that on which the Federal reserve stock is cancelled. If, however, there is a delay in the cancellation of Federal reserve stock for some technical reason, a preliminary report should be submitted when the bank, for practical purposes, ceases to operate as a state bank member, to be followed by a final report when the Federal reserve stock has been cancelled.

In the preparation of these reports the term consolidation should be construed to include cases where two or more banks in actual operation are consolidated, merged or otherwise brought together to form a single institution which operates under a new charter or under the charter of one of the banks brought together in the consolidation; the term conversion should be construed to include cases where a national bank changes into a state bank or a state bank changes into a national bank, regardless of whether this result is accomplished by a technical conversion or by terminating the existence of the old bank and creating a new one; and the term succession should be construed to include all cases where the business of a national bank is taken over by a new national bank organized for that purpose, or where the business of a state bank is taken over by a new state bank organized for that purpose.

The term bank suspension should, as in the past, be taken to mean a bank closed to the public either temporarily or permanently by supervisory authorities or by the bank's board of directors on account of

financial difficulties, regardless of whether or not the bank is ultimately classed as a failure by the supervisory authorities. Do not include banks consolidated with or succeeded by other banks, if they were not at any time closed to depositors, even though the reason for the consolidation or succession may have been financial difficulties encountered by the bank.

In the preparation of reports of chain or group banking on Form St. 6386d, it is requested that in general only those systems be included in which any person, group of persons, partnership, association or corporation has actual or potential control over the operations or policies of three or more banking units, each working on its own capital and under its own personnel. Under "Remarks" on Form St. 6386d, the type of chain or group should be described and classified under one of the following heads:

1. Ownership by a bank of stock in a number of other banks.
2. Ownership by a bank or group of banks, through a subsidiary or affiliated investment or holding company, of stock in a number of other banks.
3. Ownership by an individual of stock in a number of banks.
4. Ownership by a group of individuals of stock in a number of banks.
5. Ownership of stock of banks by an investment or holding company that is not a subsidiary of or affiliated with any particular bank or group of banks.

On Form St. 6386c, the character of the change in the status of a bank should be described by one of the following designations:

1. New bank opened for business (excluding new banks succeeding other banks)
2. Voluntary liquidation - terminal*
3. Resumption following suspension
4. National bank succeeded by national bank
5. National bank converted to state member
6. National bank converted to nonmember
7. State member succeeded by State member**
8. State member succeeded by nonmember
9. State member converted to national
10. Nonmember succeeded by nonmember
11. Nonmember succeeded by State member**
12. Nonmember converted to national
13. State bank admitted to membership
14. Voluntary withdrawal of State bank from membership (under six months notice)
15. Compulsory withdrawal of State bank from membership

The above definitions and instructions are not to be considered as rulings of the Board on questions of law but merely as establishing a uniform basis for the preparation of these reports for statistical purposes.

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The figures of capital, surplus and undivided profits (excluding reserves), loans and investments, and deposits in the case of suspended banks, should be for the latest date available, which date should be indicated in the report.

The reports on the new forms do not take the place of any telegraphic or mail reports that may be sent to the Federal Reserve Board at the present time, except the mail reports on Form X-4401 covering bank suspensions and the mail reports on Form X-4402 covering termination of suspensions which may be discontinued. No reports need be submitted on Form St. 6386b covering such bank suspensions as have already been reported to the Board on Form X-4401.

Some of the changes in the status of banks may have to be reported on more than one of the forms. For example, in the case of a consolidation of two banks that are operating branches, the consolidation should be reported on Form St. 6386a and the changes in branches on Form St. 6386c. In reporting on Form St. 6386e, however, it will not be necessary to list all of the branches in operation by two banks entering into a consolidation, but merely to give the number operated by each bank before the consolidation, the number operated by the consolidated institution after consolidation, and the list of branches discontinued, merged with other branches or moved to another location.

- *Do not include liquidations preliminary to further changes, e.g., liquidation preliminary to absorption by another bank.
- **Do not report the newly organized bank under "State bank admitted to membership."

BANK CONSOLIDATIONS
(Include absorptions, mergers, etc.)

Effective date of consolidation _____ Federal Reserve District _____

Name and location of banks	Member or nonmember	Capital	Surplus and profits	Loans and investments
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(Thousands of dollars)

(a) Banks entering into consolidation:

(b) New or consolidated bank:

Is the consolidated institution a newly chartered bank? _____. If not, give the name of bank (before consolidation) under whose charter the consolidated institution is to operate:

Give names of banks, if any, that were in financial difficulties at time of consolidation:

Disposition made of the head office of each bank entering into the consolidation:

Did any of the banks entering the consolidation have branches? _____

Were any of the banks affiliated with banking groups or chains? _____

(Report details on Forms St. 6386d and St. 6386e)

Terms of consolidation, if known, etc.

F. R. Board
Form St. 6386b
November 1929

BANK SUSPENSIONS

Date of suspension _____ Federal Reserve District _____

Name and location of bank _____ Member or nonmember _____

Capital \$ _____ Loans and investments \$ _____ Gross deposits \$ _____

Borrowings from Federal Reserve Bank \$ _____ From other banks \$ _____

Condition figures are as of _____

Closing directed by _____

Causes of suspension: Check in the appropriate column those of the following which apply, either as primary or contributing causes, amplifying the indicated causes with such supplementary data as may be available.

	Primary cause	Contributing cause
1. Slow, doubtful or worthless paper _____		
2. Failure of banking correspondent (Name of failed correspondent) _____		
3. Failure of other large debtor (Name of failed debtor and connection with bank, if any) _____		
4. Defalcation _____		
5. Heavy withdrawals _____		
6. Other causes (specify) _____		

REMARKS:

F. R. Board
Form St. 6386c
Nov. 1929

ORGANIZATIONS, LIQUIDATIONS, CONVERSIONS,
AND OTHER CHANGES IN STATUS OF MEMBER AND NONMEMBER BANKS

(Except bank suspensions, consolidations, mergers or absorptions;
affiliations with banking chains or groups; and establishment or
discontinuance of branches)

Effective date of change _____ Federal Reserve District _____

Character of change _____

Name and location of bank before change _____ Member or nonmember _____

Name and location of bank after change _____ Member or nonmember _____

Capital \$ _____ Surplus and profits \$ _____ Loans and investments \$ _____

Condition figures are as of _____

Is the above change in status final or merely preliminary to a further change,
and if preliminary, what further change is contemplated? _____

In the case of conversions and successions, were financial difficulties
responsible to any extent for the change in status? _____

Remarks:

(In the case of suspended banks reopened for business, give the change in
capital account, the assessment paid by stockholders, etc.)

CHANGES IN GROUP OR CHAIN BANKING

Federal Reserve District _____

Name and address of management or
controlling interest in banking chain or group _____

Date effective	Name and location of banks added to or withdrawn from chain or group*	Member or non- member	Capital	Surplus and profits	Loans and invest- ments
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Remarks: (Character and degree of control, type of organization of group, etc.)

*List additions under the heading "Added to Group," and withdrawals under "With
drawn from Group."

F. R. Board
Form St. 6386e
Nov. 1929

BRANCHES ESTABLISHED OR DISCONTINUED

Federal Reserve District _____

Name and location of parent bank _____ Member or nonmember _____

Date	Established or discontinued	Local, contiguous, or non-contiguous*	Name and location of branches and method of establishment or discontinuance**
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*Indicate whether a "local" branch (in the same town or city as the parent bank), in a "contiguous" town, or in a "non-contiguous" town.

**Indicate whether established "de novo" or by "conversion of independent bank," and in the latter case give the name of bank that was absorbed and converted into a branch. If discontinued, state whether closed, moved to another location, or succeeded by another bank.