

# FEDERAL RESERVE BOARD

533

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

X-6602

May 19, 1930.

**SUBJECT:** Uniform Plan for Designation of Officers to Vote  
in Elections of Class A and Class B Directors.

Dear Sir:

Letters have been received by the Federal Reserve Board from several Federal reserve agents raising certain questions relative to the procedure and form to be adopted in connection with the uniform plan of authorization by member banks of officers to vote in elections of Class A and Class B directors, as approved by the Federal Reserve Board in its letter of April 30th (X-6582). For your information there are given below the Board's views with reference to the questions which have been raised.

Inquiry has been made whether the form of authorization suggested by the Board and included with its letter of April 30th may properly be changed so as to omit the spaces for signatures of officers authorized to cast the ballot for a member bank, and whether in lieu thereof the signatures may be required on a separate card, or the list of signatures of officers of member banks already on file with the Federal reserve banks for use in other transactions may not be regarded as sufficient. The form of authorization enclosed with the Board's letter of April 30th was intended merely as a suggestion and not as a requirement as to the kind of form which might be used under the new plan recommended by the Federal reserve agents and approved by the Federal Reserve Board. The Federal Reserve Board is not disposed to insist that this or any other particular form be used, provided that the form adopted complies in substance with the new plan of authorization. The inclusion or omission of the signatures of the authorized officers from the form is not regarded as material and whatever course the Federal reserve agents find to be most suitable to their own needs and those of their member banks may properly be followed.

Another question relating to the form of the authorization is whether in the resolution to be adopted by the member banks the mention of the chairman of the board of directors may be omitted, for the reason that many small banks do not have a chairman of the

board of directors. Although this officer was specifically included in the resolution adopted by the Conference of Federal Reserve Agents, there would seem to be no objection to the omission of the chairman of the board from the form of resolution if that is desired. In those cases where a bank has a chairman of the board of directors and wishes to designate him as a voting officer, this may readily be done by inserting his title in the blank space provided in the form of resolution.

Another question which has been raised is whether it is necessary or advisable to discontinue the use of all authorizations from member banks now on file and to request or require that a new authorization be executed by each member bank in accordance with the new plan. The resolution adopted by the Federal Reserve Agents' Conference seems to contemplate that each member bank will execute a new form of authorization in accordance with the uniform plan recommended. It does not appear, however, whether this point was specifically considered by the Federal reserve agents, and the Federal Reserve Board makes no requirement that authorizations already on file be dispensed with and that new ones be required in all cases. In fact, under the form of designation which has been generally used, the authority of the voting officer remains in effect until revoked and it may be regarded as doubtful, therefore, from a legal standpoint, whether new forms of authority could be lawfully required in all cases.

Inquiry has also been made whether the certification as to the resolution adopted by the board of directors must necessarily be made by an officer other than any of those designated to vote. Inasmuch as the new plan contemplates that nearly all of the major officers of a bank, especially of a small bank, will be authorized for voting purposes, such a requirement would cause the certification to be made in many instances by a minor officer of limited responsibility. While it is preferable, therefore, that the certification be made by an officer other than one designated to vote, if this can be done by one of the more responsible officers, the Board does not regard this as essential and the form may be changed to take care of this point, if desired.

By Order of the Federal Reserve Board.

Very truly yours,

E. M. McClelland,  
Assistant Secretary.

TO ALL FEDERAL RESERVE AGENTS.