

COPY

X-6971

September 16, 1931.

Mr. Robert S. Parker,
1607 William-Oliver Building,
Atlanta, Georgia.

My dear Bob:

I have received your letter of September 14, 1931, with further reference to your proposed bill of interpleader in the Central National Bank and Trust Company of St. Petersburg matter, and I am very glad to know that, in my telegram of the same date, I hit upon the exact problem which was troubling you.

As I told you in my telegram, it seems obvious to me that, under the existing circumstances, the proper thing to do is to offer to pay the money to the court and file a bill of interpleader requiring the other parties to come in and let the court decide to whom the money is due. I do not see how there can be any question as to the propriety of this method of procedure.

The only possible objection to this procedure is due to the fact that we have not yet had a decision distinguishing the rights, duties and liabilities of the Federal reserve banks in collecting checks under Regulation J as amended a year ago from the rights, duties and liabilities of Federal reserve banks as stated by the Supreme Court in the Early case; and there is a danger that, if these issues are tried out in a case in which counsel for one of the Federal reserve banks does not represent one of the parties or otherwise participate actively in the trial of the case, the issues may not be presented properly to the court and the decision may not be satisfactory to the Federal reserve banks. I believe, however, that the precautions which you are taking will safeguard us against any such unhappy results.

It seems to me that, having initiated the litigation by filing a bill of interpleader, it would be entirely proper for you to ask leave of the court to file a brief as *amicus curiae*, stating your views as to the rights, duties and liabilities of the Federal reserve banks under Regulation J, and especially calling attention to the amendment made to Regulation J after the Supreme Court decision in the Early case. The decision in this case will so vitally affect all of the Federal reserve banks that I believe the counsel for any Federal reserve bank could properly ask for leave to file such a brief, though, of course, if you do so, it will not be necessary for any of the other counsel to do so. Furthermore, I know that the office of the Comptroller of the Currency will be greatly interested in this litigation and through cooperation with them, I

shall be in a position to render some assistance.

It occurs to me that, having disclaimed any interest in the controversy or in the fund over which the controversy arises, it might be embarrassing to you to file a brief as *amicus curiae*. I do not think that you should be embarrassed, since the proper interpretation of the Board's Regulation and of the Federal reserve bank's check collection circular is of great importance to the Federal reserve bank, and your specialized knowledge of the subject would enable you to be of much assistance to the court in dealing with the highly technical questions presented. If, however, you do feel reluctant to ask leave to file a brief as *amicus curiae*, it occurs to me that, if I can obtain the consent of the Federal Reserve Board, I might file such a brief on behalf of the Federal Reserve Board, on the theory that the interpretation and application of one of the Board's important regulations is involved in this suit and the Board is interested in having its regulation properly interpreted and applied.

I believe, therefore, that, even if counsel representing the owners of the checks should refuse to accept your views on this point, it would be reasonably safe to go ahead and file a bill of interpleader.

While I have read your tentative bill of interpleader, and find nothing wrong with it, I have not studied it carefully; because I realize that you are in a much better position to prepare such a bill than I am, and I do not feel that I can add anything whatever to your efforts along that line.

I believe that the United States District Court properly has jurisdiction of this case, because the receiver of an insolvent national bank is a party and the suit is in the nature of a proceeding to wind up the affairs of an insolvent national bank. There may be some doubt, however, as to the proper venue. It occurs to me that the suit may be deemed to be one within the provisions of Section 57 of the Judicial Code (28 U.S. Code, Sec. 118) and that, in such event, the proper venue might be the district in which the res is situated. The question is whether this is in Atlanta, Jacksonville or St. Petersburg. I am inclined to think that it must be either Atlanta or Jacksonville; but, under the peculiar procedure which you have in handling matters of this kind, I am unable to determine whether the property in dispute is situated in Atlanta or Jacksonville. If it is in Jacksonville, that would probably eliminate any question as to whether the proper district is the district in which the insolvent national bank is located or the district in which the branch Federal reserve bank is located; because I believe that St. Petersburg and Jacksonville are both in the Northern District of Florida.

You probably have given very careful consideration to the question of jurisdiction and venue; and I have been so busy with other matters that I have given this only hasty consideration. However, I

submit the above observations for whatever they may be worth.

In this connection, I invite your attention to the case of Omaha National Bank v. Federal Reserve Bank of Kansas City, et al., 26 Fed.(2d) 884, 45 Fed.(2d) 511, certiorari denied, 49 Supreme Court 19, 278 U.S. 615.

Because of the fact that this suit may result in a decision interpreting and applying Regulation J as amended, it is of interest to all Federal reserve banks and, therefore, I telegraphed you this morning for permission to send copies of your bill and of our correspondence to counsel for all Federal reserve banks for their information. I shall also appreciate it if you will kindly keep me advised of all developments in this case.

With kindest personal regards and all best wishes, I am

Cordially yours,

Walter Wyatt,
General Counsel.

WW gc

COLQUITT, PARKER, TROUTMAN & ARKWRIGHT

ATTORNEYS AT LAW

ATLANTA, GA.

September 14, 1931.

Mr. Walter Wyatt, General Counsel,
Federal Reserve Board,
Washington, D. C.

Dear Walter:

Re: Central Nat'l Bank & Trust Co.

I thank you very much for your telegram, stating that you have read the tentative bill in the above matter and see no objection to the same.

In your telegram you have touched on the only question which has been giving me concern, namely, whether or not, after having paid the money into court and retired from the litigation, I could so far control or suggest the points to be pressed as to avoid any possibility of some decision which might prove embarrassing to the Federal Reserve Bank.

I have already discussed the Early case with counsel representing most of our endorsers and unless I convince him that that decision will not be relied on and he promises not to use it, the bill of interpleader will not be filed. When he first began to investigate the question he, of course, discovered the Early case and wrote me that he deemed that case to be conclusive on the questions involved. I wrote him, stating (I am afraid a little abruptly) that I did not regard the Early case as being even persuasive when applied to the facts in this case, much less conclusive. One reason why I am going to St. Petersburg is to assure myself so far as I can that the question will be argued on the proposition of whether or not presentation for payment at the Branch, while the drawer bank was still open, was, in law, the same as if the check had been presented at the counter of the parent bank in Atlanta for payment in regular course. At any rate, special counsel representing the Comptroller's office is one of my close personal friends. He has represented the Federal Reserve Bank in one or two matters and I feel sure that I can count on him to present his side of the case in such a way as to avoid complications which would be inimical to Federal Reserve Banks in their check collection functions. Mr. John D. Harris, of the firm of Cook & Harris, who will

Mr. Walter Wyatt - #2.

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represent most, if not substantially all, of the claims on the other side, is a very high class lawyer, who is grateful for the cooperation which has been given him by the Federal Reserve Bank. I feel that he will tell me frankly just how he proposes to present his side of the case.

I am afraid that after the fund is paid into court, a mere stakeholder would have no right to suggest by brief or otherwise what, in our opinion, is the law. I shall watch the situation closely and will not file the bill if I believe there is any reasonable ground to apprehend the development in the case of anything detrimental to the interest of the Federal Reserve Bank.

Again thanking you for your very prompt review of my letter and the bill, I am

Sincerely yours,

(Signed) Robt. S. Parker.

RSP/w.

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X-6971-b

Parker
Atlanta.

September 14,
1931.

Have read tentative bill in Central National Bank and Trust Company, St. Petersburg, case and see no objection to same. Have not considered technical questions re form and contents of bill because you are better informed on that subject than I am. It occurs to me that this suit may result in decision distinguishing rights, duties and liabilities of Federal reserve banks under Regulation J as amended from those stated by Supreme Court in Early Case. Therefore believe you should follow case closely and see that this point is properly presented even if it is necessary for you to file brief as *amicus curiae*.

Wyatt

WV OMC

COPY

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September 14, 1931.

Parker
Atlanta

Your letter September 11th re Central National Bank and Trust Company St. Petersburg, Florida received this morning. Upon hasty consideration believe suggested procedure is obviously correct and proper. Have not had time to study the bill thoroughly but will wire you by five o'clock eastern standard time today if I can find time to do so.

Wyatt

WW gc

COLQUITT, PARKER, TROUTMAN & ARKWRIGHT

ATTORNEYS AT LAW

ATLANTA, GA.

September 11, 1931.

Mr. Walter Wyatt, General Counsel,
Federal Reserve Board,
Washington, D. C.

Dear Mr. Wyatt:

Re: Central Nat'l Bank & Trust Co.
St. Petersburg, Florida.

I have intended for the last week or two to write you with reference to a situation which has arisen out of the closing of the Central National Bank and Trust Company of St. Petersburg, Florida.

Shortly before that bank suspended, the Jacksonville Branch of the Federal Reserve Bank had sent it two cash letters, enclosing items aggregating seventy-five thousand and odd dollars. On April 16th these cash letters were received, the items were paid, charged to the accounts of the makers and the St. Petersburg bank drew its draft on its reserve account and sent the same out by mail. The remittance draft was received in Jacksonville about eight o'clock on the morning of the 17th. The St. Petersburg Bank was then open for business but closed about ten o'clock A. M. on that day. Before the draft had been charged to the reserve account advice of the suspension of the St. Petersburg bank was received. The Federal Reserve Bank charged the item enclosed with the cash letter back to its endorsers, but, at the same time, charged the amount of the remittance draft against the reserve balance and placed the fund in a suspense account awaiting some proper determination as to rights therein.

The banks forwarding the items to the Reserve Bank claim that the Jacksonville Branch was an office of the Federal Reserve Bank and that, since the draft was presented to that office through the mails while the drawer was still open, the same should be regarded as paid as of the time of its actual receipt. The Receiver, on the other hand, acting upon instructions from the Comptroller, claims that the Jacksonville

Mr. Walter Wyatt - #2

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Branch could not pay the draft but could only advise the parent bank of its amount to the end that entries could be made on the books in Atlanta. It was the practice of the Federal Reserve Bank to furnish its Jacksonville Branch specimen signatures and also daily advices showing amounts to the credit of members in their reserve accounts. Upon receipt of any check drawn by a bank on its reserve account, the Jacksonville Branch would inspect the same for genuineness of signature and also in respect of the sufficiency of the reserve balance, etc.

At intervals during each day the Jacksonville Branch advises by wire of the checks drawn on reserve balances which it has on hand.

I go into the practice obtaining between the parent bank and its Branch since that may be material in a determination of the rights of the claimants to the fund.

After considerable correspondence between the Comptroller's office and counsel representing certain of our endorsers, it has been decided that the quickest and most economical way to dispose of the matter would be for the Federal Reserve Bank of Atlanta to file a bill of interpleader in Tampa, setting up all of the pertinent facts and having the court settle the rights of the parties. I have drafted a tentative bill and hand you a copy of the same herewith. I know that you are unusually busy, but I would appreciate your examination of this bill as soon as possible and your advice by wire as to whether or not you see any objection to its being filed. Personally, I see no objection and know of no other way to get the matter settled. We don't want to get in a position where we may have to pay out the fund twice. I realize that the bill which I have prepared might be subject to technical objections and that it might, in the absence of agreement, be impossible to make parties. The situation is, however, that the Comptroller wishes the bill filed and his counsel will raise no objections to the procedure adopted. About forty per cent. in amount of the claims of our endorsers are already in the hands of a firm at St. Petersburg for attention. We have thought it proper for the Federal Reserve Bank to advise all of its endorsers of just what it proposes to do, suggesting the advisability of voluntary appearances in the Federal court at Tampa. In this way we

Mr. Walter Wyatt-#3.

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hope to have all, or substantially all, of the parties at interest actually before the Court.

I am leaving Atlanta Monday evening for St. Petersburg on another matter. While there, however, I will have a conference with counsel who represent, respectively, the Comptroller and a large percentage of those interested in the items which were involved in the cash letters. If it is not asking too much, I would like to get your reactions to the proposed procedure by wire on Monday before I leave for St. Petersburg. In any event, however, I will withhold putting the bill in final shape until I hear from you.

With best regards, I am

Sincerely yours,

(Signed) Robt. S. Parker.

RSP/w.

Encl.

C O P Y

X-6971-e

IN THE DISTRICT COURT OF THE UNITED STATES,
FOR THE SOUTHERN DISTRICT OF FLORIDA,
TAMPA, DIVISION.

Federal Reserve Bank of Atlanta, ()
Complainant ()
vs ()
A. M. Anderson, as Receiver of ()
Central National Bank and Trust ()
Company of St. Petersburg, Florida, ()
et als, ()
Defendants. ()

No. _____.

BILL OF INTERPLEADER.

TO THE HONORABLE, THE JUDGES OF SAID COURT:

Federal Reserve Bank of Atlanta, averring itself to be a body corporate, organized and existing under and by virtue of the laws of the United States, having its principal office and place of business in the City of Atlanta, Fulton County, Georgia, presents this its bill of complaint, the same being a bill of interpleader, against A. M. Anderson, the duly appointed and acting receiver of the Central National Bank and Trust Company of St. Petersburg, Florida, a national banking association, having its principal office and place of business in the City of St. Petersburg, Hillsboro County, Florida and in the Southern District of Florida; Federal Reserve Bank of Boston; Federal Reserve Bank of New York; Federal Reserve Bank of Philadelphia; Federal Reserve Bank of Cleveland; Federal Reserve Bank of Chicago; Federal Reserve Bank of St. Louis; Federal Reserve Bank of Richmond; Federal Reserve Bank of Kansas City (all of said defend-

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ant Federal Reserve Banks being bodies corporate under the laws of the United States and having their respective principal offices and places of business in the Cities, the names of which are incorporated in the respective corporate names of such defendants); and also against the following named State and National banks, to-wit: Citizens and Southern National Bank, Atlanta, Georgia; First National Bank, Atlanta, Georgia; Fulton National Bank, Atlanta, Georgia; Florida National Bank, Bartow, Florida; First National Bank, Miami, Florida; Munroe & Chambliss National Bank, Ocala, Florida; First National Bank and Trust Company, Macon, Georgia; First National Bank, Lake City, Florida; American National Bank, Pensacola, Florida; Hamilton National Bank, Chattanooga, Tennessee; First National Bank, Chattanooga, Tennessee; East Tennessee National Bank, Knoxville, Tennessee; American National Bank, Nashville, Tennessee; Hibernia Bank and Trust Company, New Orleans, Louisiana; First National Bank, Mobile, Alabama; and Whitney National Bank, New Orleans, Louisiana, (all of said defendant State and national banks being corporations, organized and existing either under the laws of the United States or of the respective States in which their principal offices and places of business are located, such principal offices and places of business being indicated in the listing of said State and national bank defendants).

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Said parties, that is to say, the said A. M. Anderson, as Receiver as aforesaid, and the various banks and banking associations or corporations hereinabove listed, are made parties defendant to this action. Complainant avers that the interests of all of said defendants (excepting defendant A. M. Anderson, as Receiver) are identical and that such of said defendants, other than defendant A. M. Anderson, as Receiver, as may be

served by the processes of this court and/or as may appear herein voluntarily are made defendants as representatives of a class, to-wit, a class composed of all of the above named defendants, excepting only the said A. M. Anderson as Receiver. Complainant is advised and believes, and upon such information and belief avers the fact to be, that many of said defendants, whose offices and places of business are located without the State of Florida, will acknowledge or waive service of subpoena and enter an appearance herein.

-3-

This cause arises under the Constitution and laws of the United States for that one of the parties defendant, to-wit, A. M. Anderson, is Receiver of the Central National Bank and Trust Company of St. Petersburg, a national banking association as heretofore stated, he having been appointed as such by the Honorable, the Comptroller of the Currency of the United States acting under and pursuant to the statutes of the United States for such cases made and provided, and, as such Receiver, being an officer of the United States. This cause arises under the Constitution and laws of the United States for the further reason that the same involves a fund claimed by the said defendant A. M. Anderson in his capacity as Receiver, and the cause if, therefore, one for the winding up of the affairs of a national banking association, of which the courts of the United States are given jurisdiction by the statutes of the United States.

-4-

This is a suit in equity, to-wit, a bill of interpleader, seeking such equitable relief as is hereinafter prayed, and the amount involved, exclusive of interest and costs, exceeds the sum or value of three thousand dollars.

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Complainant is one of the twelve Federal Reserve Banks organized and now functioning pursuant to the provisions of that certain Act of Congress known as the Federal Reserve Act as from time to time amended.

-6-

Among the powers and duties granted to and imposed upon complainant as a Federal Reserve Bank, under and by virtue of said Federal Reserve Act, is the power and duty to receive from any of its member banks deposits of checks and drafts payable upon presentation and also for collection maturing bills and notes and also to receive for purposes of exchange or of collection from other Federal Reserve Banks deposits of checks and drafts payable upon presentation within its District, as well as to receive for the purposes of exchange or of collection from any non-member bank or trust company deposits of checks and drafts payable upon presentation or maturing notes and bills, provided any such non-member bank or trust company maintains with complainant a balance sufficient to offset the items in transit held for its account by complainant.

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Under and by said Federal Reserve Act it was provided that "every Federal reserve bank shall receive on deposit at par from member banks or from Federal reserve banks checks and drafts drawn upon any of its depositors, and when remitted by a Federal reserve bank, checks and drafts drawn by any depositor in any other Federal reserve bank or member bank upon funds to the credit of said depositor in said Reserve bank or member bank;" also that "the Federal Reserve Board" * * "may at its discretion exercise the functions of a clearing house for such Federal reserve banks, or may

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designate a Federal reserve bank to exercise such functions, and may also require each such bank to exercise the functions of a clearing house for its member banks."

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Acting in pursuance of the provisions of said Federal Reserve Act and desiring to afford both to the public and to the various banks of the country a direct, expeditious and economical system of check collection and settlement of balances, the Federal Reserve Board has heretofore arranged to have each Federal Reserve Bank (including complainant) exercise the functions of a clearing house and collect checks for such of its member banks as may desire to avail themselves of its privileges and for such non-member State banks and trust companies as may maintain with the Federal Reserve Bank balances sufficient to qualify them, under the provisions of the aforesaid Act, to send items to Federal Reserve Banks for purposes of exchange or of collection. Said Federal Reserve Board has also promulgated regulations touching or concerning the clearing and collection of checks sent to a Federal Reserve Bank for collection by its own member banks, qualified non-member clearing banks in its District and by other Federal Reserve Banks or by banks or trust companies in other Federal Reserve Districts for the account of other Federal Reserve Banks.

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Complainant further shows that, pursuant to the provisions of law hereinabove set out or referred to and in conformity with and under the said Regulations of the Federal Reserve Board, it received at all of the dates and times herein mentioned, and now receives, for collection

checks and drafts payable upon presentation when sent to it for that purpose by its member banks, by qualified non-member clearing within its District, by other Federal Reserve Banks and by banks or trust companies located in other Federal Reserve Districts for the account of other Federal Reserve Banks.

-10-

On and prior to April 17, 1931 Central National Bank and Trust Company was a member bank of complainant, that is to say, it owned shares of the capital stock of complainant and was otherwise qualified as a member bank under the terms and provisions of the Federal Reserve Act. On and prior to said date complainant received for collection from its member banks, other Federal Banks and others entitled to avail of the check collection facilities of the Federal Reserve System, checks and drafts drawn on or payable at the said Central National Bank and Trust Company. Such checks and drafts complainant, acting by and through its Jacksonville, Florida, Branch, forwarded to said Central National Bank and Trust Company in conformity with and under the provisions of the aforesaid Regulations of the Federal Reserve Board. Under the terms of collection set out in and imposed by the said Regulations, complainant acted in the collection of such checks and drafts only as agent of the banks from which it received the same. Such checks and drafts were, in the regular course of dealing obtaining between complainant and said Central National Bank and Trust Company, sent by the Jacksonville, Florida Branch of complainant to said Central National Bank and Trust Company for collection and/or payment and remittance enclosed with what were, and are, known as "cash letters." Upon receipt of such checks

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and drafts drawn upon or payable at said Central National Bank and Trust Company, it was the duty of said Central National Bank to collect and/or to pay such items and to remit for the same to the said Jacksonville Branch of complainant, it, complainant, acting in the transaction as agent for the banks from which it had received such items, as heretofore set out.

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On April 17, 1931 and prior thereto, and now, it was and is one of the functions of complainant, as a Federal Reserve Bank, to take on deposit the reserve accounts or balances of its member banks. On April 17, 1931, and prior thereto, said Central National Bank and Trust Company maintained its reserve account with complainant, a portion of the same, to-wit, the fund hereinafter mentioned, still being in the hands of complainant.

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The reserve balance or account of a member bank is that balance required by law to be maintained with the Federal Reserve Bank of the District in which the member is located. Said reserve balance is an account subject to withdrawal by check of the depositor and is otherwise governed (in so far as is material for the purposes of this action) by the ordinary rules, usages and practices obtaining between a bank of deposit and its depositors.

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In the carrying on of its check collection functions hereinbefore described, complainant maintains branches or branch offices, among the same being a branch or office located in the City of Jacksonville, Florida, hereinbefore referred to as complainant's Jacksonville Branch. Checks sent

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by complainant to banks in Florida for collection or payment and remittance were at all the times and dates herein mentioned, and now are, so sent out for such purpose by and from the said Jacksonville Branch and remittances to complainant for the cash letters enclosing items so sent were, and are, made by banks in Florida to such Branch.

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At all of the times and dates herein mentioned, as well as at the present time, the said Jacksonville Branch was and is furnished specimens of the signatures of the officers of member banks in the State of Florida authorized to check against the reserve accounts of such members. At all of such times and at the present time there were and are dispatched daily from the Atlanta office of complainant to its Jacksonville Branch statements showing the reserve balances to the credit of each such member as of the close of business upon the day the said statements of the balances are so sent to the said Branch. Member banks in the State of Florida (including said Central National Bank and Trust Company prior to its closing) customarily remitted to complainant for cash letters sent to them by drafts or checks drawn upon their respective reserve accounts, such remittances being made to complainant's Jacksonville Branch as heretofore set out.

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Upon receipt of such remittance drafts, drawn upon such reserve balances, complainant's Jacksonville Branch inspects the same for genuineness of signature and also in respect of the sufficiency of reserve balances for payment. At intervals during each business day complainant's Jacksonville Branch telegraphs to complainant's Atlanta office lists showing the

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drafts drawn by member banks upon their reserve balances and the amounts thereof, this information being furnished to the end that entries may be made on complainant's books in Atlanta showing charges of such checks to the reserve accounts of the drawers. This practice obtained at all of the dates and times herein mentioned and now obtains.

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On April 15, 1931 complainant, through its Jacksonville Branch, forwarded for collection or payment and remittance to the Central National Bank and Trust Company items aggregating Seventy-five Thousand, Eighty and 96/100 Dollars (\$75,080.96) enclosed with two cash letters, said items consisting of checks drawn on said National Bank by its own depositors and being known as "cash items." Complainant is informed and believes and, upon such information and belief, represents the fact to be that said items were received in St. Petersburg by said Central National Bank and Trust Company on April 16, 1931, upon which date said items were cancelled and charged to the respective accounts of the drawers. On said last mentioned date said Central National Bank and Trust Company drew its check or draft in the amount of Seventy-five Thousand, Eighty and 96/100 Dollars (\$75, - 080.96) upon its reserve account maintained with complainant and dispatched the same by mail to complainant's Jacksonville Branch.

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Said remittance draft, drawn upon the reserve account of said Central National Bank and Trust Company, reached Jacksonville in the early morning mail on April 17, 1931 and the same was received by complainant at its Jacksonville Branch at about 8:00 o'clock A. M. Eastern Standard Time. At approximately 10:00 o'clock Eastern Standard Time on the same day,

(10)

April 17, 1931, said Central National Bank and Trust Company closed its doors and suspended business and its affairs were taken in charge by the Comptroller of the Currency of the United States pursuant to the statutes of the United States for such cases made and provided. Subsequently, A. M. Anderson, one of the defendants herein, was duly appointed receiver for said National Bank.

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Complainant received advice both at its main office in Atlanta and at its Jacksonville Branch of the closing of said Central National Bank and Trust Company shortly after its suspension.

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At the time said remittance draft was received at the Jacksonville Branch of complainant the drawer was open for business. Complainant had, however, not made any entry charging the amount of said check to the reserve account of said Central National Bank and Trust Company prior to the receipt of the notice of suspension, nor had complainant's Jacksonville Branch telegraphed to complainant the information upon which to make entries at the time notice of suspension was received in Jacksonville and Atlanta.

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Each of the defendants herein named (other than defendant A. M. Anderson, as Receiver) had, on or prior to April 15, 1931, sent to complainant's Jacksonville Branch certain of the cash items which were enclosed with one or the other of the cash letters of that date, which complainant's said Branch sent to said Central National Bank and Trust Company as aforesaid. In the case of certain of the defendant Federal Reserve Banks, some

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of the items herein referred to as having been sent to complainant for collection by such Federal Reserve Banks were not actually transmitted to complainant or to its Branch by such Federal Reserve Banks but were, in fact, forwarded to complainant's Jacksonville Branch by member banks of such Federal Reserve Banks but for the account of such Federal Reserve Banks. Such direct sending, however, was, in legal effect, the same as if such items had been sent by the member banks to their Federal Reserve Banks for collection and by the latter to complainant for collection since the direct forwarding was for the account of the said Federal Reserve Banks and was undertaken merely to facilitate speedy collection.

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Complainant further shows that the items enclosed with said two cash letters included items which had been forwarded to complainant's Jacksonville Branch by the following named defendants to the aggregate amounts set opposite their respective names, to-wit.

<u>NAME</u>	<u>AMOUNT.</u>
Federal Reserve Bank of Boston,	\$ 3 258 12
Federal Reserve Bank of New York,	33 042 71
Federal Reserve Bank of Philadelphia,	1 627 65
Federal Reserve Bank of Cleveland,	2 318 13
Federal Reserve Bank of Chicago,	8 471 38
Federal Reserve Bank of St. Louis,	634 42
Federal Reserve Bank of Richmond,	1 880 35
Federal Reserve Bank of Kansas City,	136 76

(12)

<u>NAME</u>	<u>AMOUNT:</u>
Citizens and Southern National Bank, Atlanta, Georgia.	\$ 1 763 52
First National Bank, Atlanta, Georgia.	1 283 97
Fulton National Bank, Atlanta, Georgia.	16 62
Florida National Bank, Bartow, Florida.	5 00
First National Bank, Miami, Florida.	514 52
Munroe and Chambliss National Bank, Ocala, Florida.	90 45
First National Bank and Trust Company, Macon, Georgia.	373 56
First National Bank, Lake City, Florida.	10 00
American National Bank, Pensacola, Florida.	5 00
Hamilton National Bank, Chattanooga, Tennessee.	11 32
First National Bank, Chattanooga, Tennessee.	5 61
East Tennessee National Bank, Knoxville, Tennessee.	109 80
American National Bank, Nashville, Tennessee.	240 02
Hibernia Bank and Trust Company, New Orleans, Louisiana.	80 00
First National Bank, Mobile, Alabama.	61 40
Whitney National Bank, New Orleans, Louisiana.	115 40

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The aggregate of all of said items above listed, as having been forwarded to Complainant's Jacksonville Branch for collection, is Fifty-six Thousand, Fifty-five and 71/100 Dollars (\$56,055.71). Said items were all enclosed with one or the other of said two cash letters as heretofore averred. The remaining of the items enclosed with said two cash letters (the total of said cash letters having been \$75,080.96, as heretofore set out) were handled for collection exactly as were the items included within the amounts hereinabove particularly set out. Neither such other items, however, nor any question as to whether or not the owners or holders thereof are entitled to any portion of the fund in the hands of complainant, hereinafter more particularly referred to, is now involved in this cause according to the knowledge, information and belief of complainant. Should it hereafter develop that the owners and holders of said other items, or any of the same, are claiming any interest in the said fund, complainant will ask leave of the court to amend its bill of interpleader accordingly.

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Complainant is further advised and believes, and, upon such information and belief charges the fact to be, that the various defendant Federal Reserve Banks and/or certain of their respective branches had received cash items, included in the totals hereinbefore set out opposite the names of the defendant Federal Reserve Banks, as agents for collection of certain of their own member banks or non-member clearing banks. Upon such information and belief complainant sets out next below a list or schedule indicating the names of various of the member banks of such defendant Federal Reserve Banks as had sent certain of said items to their Federal Reserve Banks or direct to complainant's Jacksonville Branch for the account of their respective Federal Reserve Banks, and the total of items

so forwarded by such member banks of such defendant Federal Reserve Banks:

FEDERAL RESERVE BANK OF BOSTON.

<u>NAME</u>	<u>AMOUNT</u>
First National Bank Boston, Massachusetts.	\$ 98 12
State Street Trust Company, Boston, Massachusetts.	1 050 00
Industrial Trust Company, Providence, R. I.	693 30
Merchants National Bank, Boston, Massachusetts.	6 10
Atlantic National Bank, Boston, Massachusetts.	1 215 00
National Shawmut Bank, Boston, Massachusetts.	195 60

FEDERAL RESERVE BANK OF NEW YORK.

Federal Reserve Bank, New York, N. Y.	1 949 22
Chase National Bank, New York, N. Y.	26 770 94
National City Bank, New York, N. Y.	44 37
Bank of America, New York, N. Y.	25 00
Guaranty Trust Company, New York, N. Y.	476 04
Marine Midland Trust Company, New York, N. Y.	11 25
Fifth Avenue Bank, New York, N. Y.	10 68
Central Hanover Bank and Trust Company, New York, N. Y.	335 62
New York Trust Company, New York, N. Y.	1 608 00

FEDERAL RESERVE BANK OF NEW YORK (Cont'd)

<u>NAME</u>	<u>AMOUNT</u>
Irving Trust Company, New York, N. Y.	\$ 24 73
Chatham & Phenix National Bank, New York, N. Y.	1 067 14
Chemical National Bank, New York, N. Y.	216 67
National Commercial Bank, Albany, N. Y.	6 30
First Trust Company, Albany, N. Y.	128 25
First National Bank, Jersey City, N. J.	150 00
National Newark & Essex Banking Company, Newark, N. J.	27 67
Federal Reserve Branch Bank, Buffalo, N. Y.	61 81
Marine Trust Company, Buffalo, N. Y.	57 09
Liberty Bank, Buffalo, N. Y.	72 03

FEDERAL RESERVE BANK OF PHILADELPHIA.

Federal Reserve Bank, Philadelphia, Pa.	44 78
Corn Exchange National Bank, Philadelphia, Pa.	695 18
Central-Penn. National Bank, Philadelphia, Pa.	175 12
Market Street National Bank, Philadelphia, Pa.	15 00
Philadelphia National Bank, Philadelphia, Pa.	254 92
Wilmington Trust Company, Wilmington, Delaware.	442 65

FEDERAL RESERVE BANK OF CLEVELAND.

<u>NAME</u>	<u>AMOUNT</u>
Guardian Trust Company, Cleveland, Ohio.	\$ 36 96
Union Trust Company, Cleveland, Ohio.	732 11
Cleveland Trust Company, Cleveland, Ohio.	28 00
Huntington National Bank, Columbus, Ohio.	100 00
Toledo Trust Company, Toledo, Ohio.	10 00
First National Bank, Norwood, Ohio.	99 30
Federal Reserve Branch Bank, Cincinnati, Ohio.	18 98
First National Bank, Cincinnati, Ohio.	572 43
Lincoln National Bank, Cincinnati, Ohio.	3 15
Provident Trust and Savings Bank, Cincinnati, Ohio.	9 25
Fifth Third Union Trust Company, Cincinnati, Ohio.	92 62
Atlas National Bank, Cincinnati, Ohio.	15 00
Second National Bank, Cincinnati, Ohio.	397 07
Federal Reserve Branch Bank, Pittsburgh, Pa.	1 56
Bank of Pittsburgh, Pittsburgh, Pa.	74 01
Mellon National Bank, Pittsburgh, Pa.	127 69

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FEDERAL RESERVE BANK OF CHICAGO.

<u>NAME</u>	<u>AMOUNT</u>
Federal Reserve Bank, Chicago, Ill.	\$ 18 29
Continental-Illinois Bank and Trust Company, Chicago, Ill.	7 513 73
Central Trust Company of Illinois, Chicago, Ill.	58 31
First National Bank, Chicago, Ill.	373 70
Foreman State Bank, Chicago, Ill.	148 41
First Wisconsin National Bank, Milwaukee, Wis.	167 95
First National Bank, Joliet, Ill.	97 58
Fletcher-American National Bank, Indianapolis, Ind.	7 63

FEDERAL RESERVE BANK OF CHICAGO,
(DETROIT BRANCH.)

Peoples Wayne County Bank Detroit, Michigan.	12 16
First National Bank, Detroit, Michigan.	73 62

FEDERAL RESERVE BANK OF ST. LOUIS.

First National Bank, St. Louis, Mo.	8 91
United Bank & Trust Company, St. Louis, Mo.	8 37
Mercantile Commerce Bank and Trust Company, St. Louis, Mo.	20 14
Mississippi Valley Trust Company, St. Louis, Missouri.	54 08

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FEDERAL RESERVE BANK OF ST. LOUIS.
(MEMPHIS BRANCH)

<u>NAME</u>	<u>AMOUNT</u>
First National Bank, Memphis, Tenn.	\$ 284 00
Bank of Commerce and Trust Company, Memphis, Tenn.	101 31

FEDERAL RESERVE BANK OF ST. LOUIS,
(LOUISVILLE BRANCH)

Citizens Union National Bank, Louisville, Ky.	154 11
Liberty Bank and Trust Company, Louisville, Ky.	3 50

FEDERAL RESERVE BANK OF RICHMOND.

Federal Reserve Bank, Richmond, Va.	505 00
State Planter Bank and Trust Company, Richmond, Va.	9 79
First and Merchants National Bank, Richmond, Va.	10 54
American Bank and Trust Company, Richmond, Va.	57 95
National Metropolitan Bank, Washington, D. C.	20 75
Commercial National Bank, Washington, D. C.	14 06
Wachovia Bank and Trust Company, Winston-Salem, N. C.	30 60

FEDERAL RESERVE BANK OF RICHMOND,
(BALTIMORE BRANCH)

Federal Reserve Branch Bank, Baltimore, Md.	1 181 66
First National Bank, Baltimore, Md.	50 00

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<u>NAME</u>	<u>FEDERAL RESERVE BANK OF KANSAS CITY.</u>	<u>AMOUNT</u>
First National Bank, Kansas City, Mo.		\$ 36 76
	<u>FEDERAL RESERVE BANK OF KANSAS CITY, (DENVER BRANCH)</u>	
Federal Reserve Branch Bank, Denver, Colo.		100 00

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Complainant further shows that shortly after the suspension of said Central National Bank and Trust Company the Receiver of said bank demanded of complainant that all of the reserve balance of said bank be turned over to him. At the same time various of the other defendants were demanding that the said remittance draft be charged to the account of the drawer and that they be given credit by complainant for the amounts of their items enclosed with said two cash letters. To none of such demands has complainant acceded for the reason that it was, and is, a mere stakeholder of said reserve balance, or of so much of the same as is in controversy between the parties defendant, that is to say, between the said A. M. Anderson, as Receiver, on the one hand and the other defendants herein named on the other. Complainant did, however, charge the said remittance draft to said reserve balance (the same having been on April 17, 1931 more than sufficient to pay the said remittance draft) and placed the amount thereof in a suspense account to be there held by complainant in trust and for the account of the party, or parties, entitled thereto, pending some judicial determination as to the conflicting rights of the respective claimants.

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Complainant shows that the defendant A. M. Anderson, as Receiver, on the one hand, claims that the entire reserve balance to the credit of Central National Bank and Trust Company, as of the time of suspension and without charging thereto the amount of said remittance draft, should be paid over by complainant to him for the reason that, as said defendant contends, the said remittance draft had not been paid by complainant or charged against the reserve balance when notice of suspension was received by complainant, and for the further reason that said remittance draft could not have been paid by complainant's Jacksonville Branch and charged against the said reserve balance by the Jacksonville Branch and that complainant had no notice of the receipt of said draft at its main office in Atlanta until after the drawer bank had closed. The other defendants, on the other hand, represent to complainant that when said remittance draft was received at complainant's Jacksonville Branch the drawer bank was open and doing business and that said draft should be regarded as having been duly paid, cancelled and charged against the account of the drawer prior to its suspension and as of the time when the said draft was received at the Jacksonville Branch. Complainant does not undertake to set up fully and in detail the conflicting claims of said defendants but adverts in general terms to the same to the end that the court may be advised that there is a bona fide dispute as to the ownership of the said fund.

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With these conflicting contentions this complainant has no concern. Complainant has retained in its hands a portion of said reserve balance equal in amount to said remittance draft and is willing to give

credit, or otherwise pay over, to the respective defendant banks the portions of said fund claimed, respectively, by them should it be determined that the same were and are properly chargeable against said reserve balance of said Central National Bank and Trust Company. Complainant is willing to pay over the full amount in its hand to the Receiver of the Central National Bank and Trust Company should it be determined by proper decree of this court that the Receiver is entitled thereto, and is also willing to turn over to said Receiver any portion of said fund to which the Receiver may be entitled under a proper decree. Complainant holds said fund in trust and as a mere stakeholder. Complainant is entirely indifferent between the parties and is not in collusion with any of them. While, as stated, complainant took said cash items for collection as agent for the banks which had sent the same to it, complainant was acting, quoad such checks, as a mere collection agent, without liability except for its own negligence and guaranty of prior endorsements; it has no interest in the premises except to disburse the fund in its hands as may be legally proper and as this Honorable Court, being advised, may direct.

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Complainant hereby offers to pay into the registry of this Honorable Court the sum of Fifty-six Thousand, Fifty-five and 71/100 Dollars (\$56,055.71), being the amount of the fund now in its hands actually in dispute (according to the knowledge, information and belief of complainant) between the parties herein named as defendants, that is to say, between the Receiver of the Central National Bank and Trust Company on the one hand, claiming all of said fund, and the defendant banks, claiming the

right to receive out of said fund the amounts hereinbefore stated. Complainant also offers to pay into the registry of this Honorable Court such other or further portion of said fund as may be necessary to cover the amount of any other claim to any portion of said fund which may hereafter be made by any person not herein named as defendant.

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Complainant attaches hereto a true copy of Regulation J of the Federal Reserve Board, which Regulation was in effect at all of the dates and times herein mentioned and was the aforementioned Regulation pursuant to the terms of which complainant undertook the collection of the checks enclosed with said two cash letters. Complainant also attaches hereto a true and correct copy of its own Check Collection Circular, issued in conformity with said Regulation J. A copy of said Check Collection Circular had been sent to said Central National Bank and Trust Company upon its promulgation. The said copies are hereby incorporated into this petition to the same effect as if fully set out herein, and leave of reference thereto is hereby prayed when and as often as may be necessary.

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Complainant says that it is without remedy at law; that if it pays to the Receiver the said fund it will be subjected to the claims, demands and suits of said defendant banks, or some one or more of them; that if it pays to said defendant banks the amounts demanded, respectively, by them, it will have to answer the suit of the Receiver. Complainant is advised by its counsel that the conflicting claims and contentions of said parties raise questions of law that are doubtful and difficult of solution, and complainant is, therefore, uncertain as to how said fund should

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be disbursed. While the defendant banks each claim a portion of said fund and the Receiver is claiming the whole thereof, the legal rights of the banks named, and each of them, are determinable upon exactly the same principles and there is no issue which could arise in the determination of the claim of any one of said defendant banks which would not be involved in the determination of the claims of all. The bringing of this bill of interpleader will obviate a multiplicity of suits and will afford the opportunity of settling in one action the claims of all parties asserting an interest in and to said fund, or any part thereof.

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Complainant avers that, in the bringing of this suit, it has incurred the expense of counsel fees and asks that such sum as may appear proper to the Court be decreed in its favor to cover the cost of the services of counsel and that any sum so allowed, as well as the costs of this action, be charged against the fund which is in its hands as a stakeholder as heretofore more particularly set out.

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As heretofore more particularly shown, complainant has named as parties defendant the said Receiver and the banks from whom it had received the said cash items for collection. Included among said defendant banks are certain other Federal Reserve Banks, who were, in turn, handling said items for collection for their own member banks or non-member clearing banks. As more fully set out in the prayers hereof, complainant asks that said named defendants be required to interplead herein. Complainant asks, however, that should any owner or holder of any of the aforementioned cash items or checks, not herein named as defendant, appear or intervene in

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this cause, claiming a portion of said fund, such claimant be allowed to interplead and to set up his or its claim and be bound by any decree rendered herein to the same extent as if such claimant had been by complainant specifically named as a party defendant.

WHEREFORE, being remediless except in a court of equity, where matters of this sort are properly cognizable and relievable, and to the end that complainant may have the relief herein prayed, it brings this its bill of interpleader and respectfully prays of the court:

1. That this Honorable Court may enter an order permitting it to pay into the registry of the Court the sum of Fifty-six Thousand, Fifty-five and 71/100 Dollars (\$56,055.71), being the amount of the fund which, according to the knowledge, information and belief of complainant, is now in controversy between the parties to this cause and is now in the hands of complainant as a stakeholder as aforesaid; that the Clerk of this Court be authorized to receive and receipt for said sum; and that, upon the payment of the same into court, said complainant be discharged from any and all further liability to said defendants, or any of them.

2. That complainant may hereafter have the right to pay into the registry of the Court such other or further portion of said fund as may be necessary to cover the amount of any other claim to any portion of said fund of Seventy-five Thousand, Eighty and 96/100 Dollars (\$75,080.96) which may hereafter be made by any person not herein named as defendant.

3. That the defendants herein named may be decreed to interplead and settle between themselves their rights or claims to the said fund in the hands of complainant, or any portion thereof.

4. That, should any owner or holder of any of the cash items or checks in complainant's bill referred to, not herein named as defendant,

appear or intervene in this cause, claiming a portion of said fund, such claimant be allowed to intervene and to set up his or its claim and be bound by any decree rendered herein to the same extent as if such claimant had been by complainant specifically named as a party defendant.

5. That the defendants, and each of them, be restrained by a preliminary order of injunction from commencing or prosecuting any action or proceeding against complainant concerning the matters above stated, and that, in due course, this injunction be made perpetual.

6. That the Court issue a rule or order nisi, requiring said defendants, and each of them, to show cause at some time to be limited by the Court why the relief herein prayed should not be granted.

7. That complainant have such other and further relief as may be meet and agreeable to equity and as the nature of its case may require.

8. May it please your Honors to grant unto complainant not only a writ of injunction conforming to the prayers of this bill, but also to grant a writ, or writs, of subpoena, to be issued by or out of this Court, to be directed to the defendant A. M. Anderson as Receiver of Central National Bank and Trust Company of St. Petersburg, Florida, and to the banks, Federal Reserve, State and National, hereinbefore specifically named as defendants, commanding them, and each of them, at a certain time and under a certain penalty to be therein specified, to be and appear before this Court, then and there to answer the allegations hereof, but not under oath (answer under oath being hereby expressly waived), and to abide by the orders and decrees of the Court herein, and that the defendants may appear herein according to law.

Solicitors for Complainant