

March 12, 1933

Curtiss - Boston  
 Case - New York  
 Austin - Philadelphia  
 DeCamp-- Cleveland

Hexton - Richmond  
 Newton - Atlanta  
 Stevens - Chicago  
 Wood - St. Louis

Bailey - Minneapolis  
 McClure - Kansas City  
 Walsh - Dallas  
 Newton - San Francisco

TRANS. 1628 In cases where you receive an application for membership from an eligible State bank or trust company the condition and management of which are not subject to substantial criticism and you feel that the Board would be fully justified in admitting such institution to membership, Board will upon telegraphic advice from you of essential facts involved in case give prompt consideration thereto and advise you of its action thereon. In such cases your advice should contain a statement of (A) the amount of applicant bank's capital stock, (B) surplus, (C) undivided profits, (D) reserves for losses, depreciation or other contingencies, (E) aggregate amount of deposits, (F) liability to Reconstruction Finance Corporation, (G) other borrowings, (H) total resources, (I) date of last examination and by what authority. On basis of report of such examination (J) amount and character of assets classified as slow, (K) doubtful, (L) losses, (M) amount of depreciation in investments in first four grades of securities as classified by a recognized investment service, (N) amount of depreciation in other securities including stocks and defaulted bonds, (O) any undue concentrations of assets, and (P) liquidity. Also advise (Q) to what extent and in what manner any of such items have been eliminated, and furnish (R) brief summary of examiners comment on condition and management of bank, and (S) concise statement of your own opinion of bank and its management.

X-7357

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In your wire set out information requested opposite respective symbols used above. Each such telegram should begin with the code word QUOTE ANCHORIST UNQUOTE meaning QUOTE We have application blank bank (use A.B.A. transit number) for membership in the Federal Reserve System, the condition and management of which are not subject to substantial criticism and we feel that the Board would be fully justified in admitting such institution to membership. I concur in recommendation of executive committee of this bank that such action be taken by the Board UNQUOTE. Such telegraphic advice should include advice that your counsel has approved form of application and has executed certificate of counsel usually accompanying membership applications and be accompanied by a statement from him as to what powers, if any, other than usual commercial banking powers the institution is authorized to exercise under its charter or State law, and a statement from you as to which of such unusual powers, if any, are being exercised. Your advice should also include the special conditions of membership if any which in the opinion of yourself and executive committee of your bank should be prescribed in addition to those contained in Trans 1619. In case of banks exercising trust powers, furnish concise statement regarding condition and management of trust department. As last word of telegram restate A.B.A. transit number of bank. In acting upon applications under such circumstances the Board will necessarily rely to an unusually large extent upon your recommendation and that of executive committee of your bank. Accordingly, the most careful consideration should be given to whether or not condition of institution involved is such as to warrant its admission to

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membership. In this connection it may be noted that the Board does not feel usual standards for admission to membership should be relaxed in these cases. It is understood of course that in any such case you will forward to Board as soon as possible bank's application and all of papers usually accompanying such an application. In advising you by wire of approval of any application submitted through telegraphic advices from you, Board will use in such wire word QUOTE ANCHORIVET UNQUOTE following name of bank involved. Such word will mean QUOTE Application of such bank for membership has been approved by Board subject to first 14 conditions set forth in Trans 1619 and special conditions stated hereafter. Please advise such bank of Board's approval and conditions of membership prescribed, together with explanation thereof contained in Board's wire Trans 1619. Letter containing detailed advice regarding such approval will be forwarded bank through you as soon as possible. When you have received certified copy of resolution of board of directors of such bank accepting conditions of membership prescribed by Board together with advice of compliance with any special conditions to be complied with prior to admission to membership, the Federal reserve bank is authorized upon payment therefor to issue appropriate amount of Federal reserve bank stock and to accept required reserves. Please advise Board date upon which membership of bank becomes effective and amount of Federal reserve bank stock issued to it, forwarding copy of resolution accepting conditions of membership and advising of compliance with any conditions to be complied with prior to admission. UNQUOTE

Morrill.

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TRANS. 1630 Information requested in Trans 1628 should include in each case after respective symbol advice as to (T) any affiliations and subsidiaries of bank and (U) Branches, if any, located outside of corporate limits of city in which bank is located and date of establishment of each such branch. Information requested in Trans 1628 with reference to Quote what powers, if any, other than commercial banking powers Unquote are held or exercised by bank is intended to develop whether bank is authorized to exercise and the extent to which it has exercised any powers such as trust powers, surety, title insurance, sale of mortgage securities with or without guarantee or recourse or other broad powers not coming within usual meaning of term banking powers.

Morrill.