

C O P Y.

X-7480

June 30, 1933.

WILLIAMS - CLEVELAND

Fletcher's letter June 19 submitting request of Peoples-Pittsburgh Trust Company, Pittsburgh, Pennsylvania, for permission to purchase stock in new national bank being organized to take over certain assets of First National Bank, Wilkinsburg, Pennsylvania. Under provisions of Section 9 of Federal Reserve Act as amended by Section 5(c) of Banking Act of 1933, approved June 16, 1933, State member banks are made subject to same limitations and conditions with respect to purchase of stock in other corporations as are applicable in the case of national banks under paragraph 7 of Section 5136 of Revised Statutes as amended by Section 16 of the Banking Act of 1933. Under such provisions of section 5136 national banks may not purchase stock in another corporation, other than in certain cases permitted by law and in which the circumstances are not similar to those described in letter containing request of Peoples-Pittsburgh Trust Company referred to Board. Accordingly that institution under the law may not purchase stock in new bank referred to. Board also feels, of course, that it would be contrary to provisions of law for Century Securities Company, the wholly owned subsidiary of the Peoples-Pittsburgh Trust Company, to purchase stock in new bank.

MORRILL.