

(INTERPRETATION OF BANKING ACT OF 1933)

Copies to be sent to all Federal Reserve Banks.

August 8, 1933.

Mr. Frederic H. Curtiss,
Federal Reserve Agent,
Federal Reserve Bank of Boston,
Boston, Massachusetts.

Dear Mr. Curtiss:

Receipt is acknowledged of your letter of July 24, 1933, inclosing the original of a letter, under date of July 24, 1933, addressed to you by Mr. _____, Chairman of the Board of Directors of the _____ Trust Company, _____, _____. Mr. _____ requests that the _____ Trust Company be relieved of the necessity of publishing a report of condition of the _____ Corporation.

From the statements in Mr. _____'s letter, the Board understands that the _____ Trust Company owns all the outstanding stock of the _____ Corporation, an investment corporation which ceased to do business in 1932, and that such corporation is being dissolved as rapidly as possible. It is further understood that on April 25, 1932, the Commissioner of Corporations of _____ ruled that no further certificates of condition would be required from this corporation.

The Board does not consider that the provisions of the Banking Act of 1933, requiring reports of affiliates, are applicable to organizations which have been formally placed in liquidation or receivership prior to the date of the Board's call for condition reports

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of State member banks and their affiliates; and, if the _____
_____ Corporation was formally placed in liquidation or receiver-
ship on or before June 30, 1933, it will not be necessary for the
_____ Trust Company to furnish or publish a report of the
securities corporation. However, it does not appear from the informa-
tion submitted whether the securities company had been formally dis-
solved or formally placed in liquidation or receivership on that date.
The fact that the securities corporation ceased to do business prior
to June 30, 1933, would not affect its status as an "affiliate" of the
trust company, unless, in addition, formal action had been taken to
dissolve the corporation.

Inasmuch as the determination of the question whether
an organization has been formally placed in liquidation or receiver-
ship depends to a large extent on the applicable State law, it is sug-
gested that you refer the instant question to your counsel for an
opinion. If you desire the Board to consider the matter further after
receiving the views of your counsel, it is requested that you submit
the question to the Board and furnish the Board with a copy of your
counsel's opinion.

Very truly yours,

Chester Morrill,
Secretary.