

FEDERAL RESERVE BOARD

146

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-7551

August 16, 1933.

SUBJECT: Application for cancelation of Federal reserve bank stock by State member bank in hands of conservator.

Dear Sir:

For your information and guidance, in the event similar cases arise in your district, the following quotation is taken from a telegram the Board has forwarded to one of the Federal reserve agents in connection with a request by a conservator of a State member bank for cancelation of the Federal reserve bank stock held by the member bank:

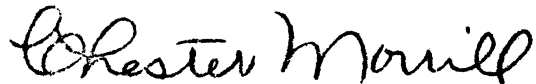
"Your wire regarding application of conservator of ----- Bank, -----, for cancelation of Federal reserve bank stock. In order to avoid any question as to right of Federal reserve bank to cancel such stock it is suggested that board of directors of ----- Bank file notice of intention to withdraw from membership under provisions of Section 9 of Federal Reserve Act and Section VIII of Board's Regulation H and request Board to permit withdrawal immediately waiving usual six months' notice. Conservator must join in such notice of intention to withdraw and request for waiver. Upon ----- advice that you have received such notice and request for waiver in accordance with the provisions of Section VIII of Regulation H and that your counsel is satisfied as to the legal aspects of such notice and request for waiver, together with your recommendation, the Board will take action thereon as soon as possible.

The procedure outlined should also be followed in connection with applications for cancelation of Federal reserve bank stock made by other State officials acting in a capacity similar to that of conservators, as, for example, a custodian appointed to take charge of the

affairs of a State member bank pending the development of a plan of reorganization.

Another letter (X-7552) with regard to the cancelation of Federal reserve bank stock held by a National bank in the hands of a conservator is being sent to you today.

Very truly yours,



Chester Morrill,
Secretary.

TO ALL FEDERAL RESERVE AGENTS.