

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

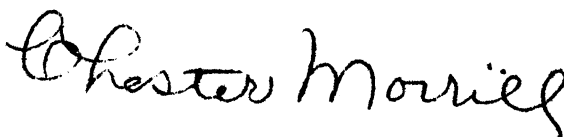
X-7568

August 30, 1933.

Dear Sir:

There is attached hereto, for your information, a copy of a letter addressed by the Board to the Federal Reserve Agent at Chicago with regard to the issuance by member banks of capital stock not subject to assessment.

Very truly yours,



Chester Morrill,
Secretary.

Inclosure.

TO ALL F. R. AGENTS EXCEPT CHICAGO.

C O P Y

X-7568-a

August 28, 1933.

Mr. Eugene M. Stevens,
Federal Reserve Agent,
Federal Reserve Bank of Chicago,
Chicago, Illinois.

Dear Mr. Stevens:

I regret that due to pressure of other matters there has not been an opportunity for an earlier reply to your letters of July 19 and August 21, 1933, with regard to whether the Board would object to the issuance of stock not subject to assessment in reorganizations of State member banks. In this connection you forwarded a copy of a letter you had received from the Commissioner of Banking of the State of Michigan, in which he called attention to the fact that under the provisions of Section 22 of the Banking Act of 1933 the additional liability imposed upon shareholders in national banking associations by the provisions of Section 5151 of the Revised Statutes, as amended, shall not apply with respect to shares in a national bank issued after the date of the enactment of the Banking Act of 1933.

The Federal Reserve Board does not require that the capital stock of State banks admitted to membership in the Federal Reserve System shall be subject to assessment where under the laws of the State under which the bank is organized non-assessable stock may lawfully be issued, and in a number of instances it has admitted banks to membership having capital stock not subject to assessment. In the

Eugene M. Stevens.

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circumstances, the Board would not object to the issuance of stock not subject to assessment in the reorganization of a State member bank where the issuance of such stock is authorized under the laws under which the bank is organized.

Very truly yours,

Chester Morrill,
Secretary.