

FEDERAL RESERVE BOARD

X-7692

443

WASHINGTON

November 21, 1933.

ADDRESS OFFICIAL CORRESPONDENCE TO  
THE FEDERAL RESERVE BOARD

SUBJECT: Information in Connection with Applications  
Under Section 32 of the Banking Act of 1933.

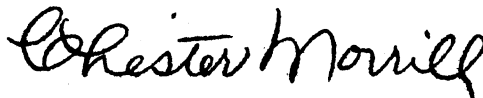
Dear Sir:

In Section IV(e) of Regulation R, dealing with the provisions of Section 32 of the Banking Act of 1933, one of the factors which will be considered in determining whether the issuance of a permit will be compatible with the public interest is stated as follows:

"Whether the proposed relationship will have any undesirable effect upon the member bank's financial condition, its credit or investment policies, or its policies in dealing with its other customers."

There appears to be some likelihood that, in answering questions numbered 1 and 4 on Form 99c, sufficient detail will not be given to permit the Board to determine whether or not the business of the dealer in securities customarily includes the underwriting, flotation and distribution of securities or participations in such transactions, and whether the customary business dealings between the member bank and the dealer involve securities in the underwriting, flotation or distribution of which the dealer has been interested. It is, accordingly, requested that, in submitting applications to the Board involving Section 32, you advise the Board regarding these matters in each case.

Very truly yours,



Chester Morrill,  
Secretary.

TO ALL F. R. AGENTS.