

## INTERPRETATION OF BANKING ACT OF 1933

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(Copies to be sent to all Federal Reserve Banks)

December 7, 1933.

Mr. \_\_\_\_\_, President,  
 \_\_\_\_\_ Corporation,  
 \_\_\_\_\_,  
 \_\_\_\_\_.

Dear Sir:

Receipt is acknowledged of your letter of November 29, 1933, in which you ask whether Section 32 of the Banking Act of 1933 is applicable to a director of a member bank of the Federal Reserve System who is also serving as a director of your corporation.

You state that the sole business of your corporation is the holding for investment of the majority of the capital stock of a trust company in \_\_\_\_\_ County, the majority of the capital stock of a title and mortgage company, and the majority of the capital stock of an investment company, and that your corporation is, therefore, only a holding company which holds the control of three operating companies.

It does not appear that the phrase "engaged primarily in the business of purchasing, selling, or negotiating securities" in Section 32 is applicable to a corporation whose sole business is that of a holding company. Accordingly, Section 32 would not be applicable to the service of a director of a member bank under the circumstances described above.

Very truly yours,

(Signed) Chester Morrill

Chester Morrill,  
Secretary.