

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-8015

September 20, 1934

Dear Sir:

There is inclosed for your information a copy of a telegram addressed to Mr. Logan, Deputy Governor and General Counsel of the Federal Reserve Bank of New York under date of September 10, 1934, with regard to the question whether a concern, a substantial part of the business of which consists of providing funds for business enterprises through the underwriting, sale and distribution of securities, may be considered a financing institution within the meaning of section 13b of the Federal Reserve Act, as amended.

Very truly yours,



Chester Morrill,
Secretary.

Inclosure.

TO ALL FEDERAL RESERVE AGENTS EXCEPT NEW YORK.

X-8015-a

(Copy)

LOGAN
NEW YORK

Your wire September 6 presenting question whether Lehman Brothers investment bankers in New York may be considered a financing institution within the meaning of Section 13b of Federal Reserve Act. It is understood that a substantial part of the business of Lehman Brothers consists of providing funds for business enterprises through the underwriting, sale and distribution of securities. It is also understood that under the transaction which is now proposed Lehman Brothers will make a loan or advance to an established industrial or commercial business to provide it with working capital and that such loan or advance will be evidenced by the note of such business. It is Board's view that in circumstances stated and upon condition that transaction will comply in all other respects with applicable requirements of law and regulation Federal Reserve Bank may lawfully discount or purchase from firm of Lehman Brothers such obligation of established industrial or commercial business pursuant to section 13b.

(Signed) Chester Morrill

MORRILL