INTERPRETATION OF BANKING ACT OF 1933

(Copies to be sent to all Federal reserve banks)

September 25, 1934.

Mr. _____,

_____,

_____.

Dear Mr. _____:

Reference is made to your letter of September 6, 1934, inclosing a copy of a letter dated August 31, 1934, addressed to Mr. _____, Assistant Federal Reserve Agent at the Federal Reserve Bank of _____, in which you ask for the opinion of the Board with regard to the question whether Mr. _____, who holds the position of Manager of the Branch Office at _____, _____, of _____, should be regarded as a "manager" of that company within the meaning of section 32 of the Banking Act of 1933.

Your letter, and the letter from _____ point out that Mr. _____ authority is limited and that the home office prescribes definite rules which he must follow in all transactions. The letter from _____ amplifies this statement, and adds that he has no authority over the character of the business transacted. In the circumstances, you suggest that section 32 is not applicable to Mr. _____ since the word "manager" should be interpreted to include persons who not only carry on some part of the management of the organization but who are also vested with a share of the final control or authority in the organization, or assist in formulating its policies.

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The Board has given careful consideration to the view which
you express in this matter but, as the word "manager" is frequently
used to describe a person in charge of a local branch office of an
organization and in view of the wide use of the term as applied to
managers of branch offices of securities dealers at the time when the
Banking Act of 1933 was under consideration by Congress, the Board is
of the opinion that the words "officer, director, or manager" in sec-
tion 32 are properly to be regarded as including a manager of such a
branch office.   This view is indicated in the definition of the word
"manager" in the Board's Regulation R and has been followed in connec-
tion with several applications under section 32 which have been acted
upon by the Board.

                    Very truly yours,

                    (Signed) L. P. Bethea

                         L. P. Bethea,
                       Assistant Secretary.