

FEDERAL RESERVE BOARD X-9148.

WASHINGTON

March 16, 1935.

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

Subject: Applicability of section 32 to individual dealers in securities.

Dear Sir:

The Federal Reserve Board recently considered several applications under the provisions of section 32 of the Banking Act of 1933 filed by officers and/or directors of member banks who, as individuals, were primarily engaged in the business of purchasing, selling or negotiating securities.

After giving careful consideration to its previous position and to all the circumstances involved in the matter, the Board was of the opinion that the provisions of section 32 of the Banking Act of 1933 are applicable to the service of individual dealers in securities as officers or directors of member banks and that the purposes for which section 32 was enacted clearly show that such relationships come within its provisions. Accordingly, the Board reconsidered its earlier ruling contained in its letter of October 30, 1933 (X-7666) and, in harmony with the policy stated in its letter of March 7, 1934 (X-7811) regarding the purposes and intent of Congress in enacting section 32 of the Banking Act of 1933, denied the applications in question.

Very truly yours,

Chester Morrill,
Secretary.

TO ALL F R AGENTS.