

FEDERAL RESERVE BOARD

WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE TO
THE FEDERAL RESERVE BOARD

X-9297

August 26, 1935.

Dear Sir:

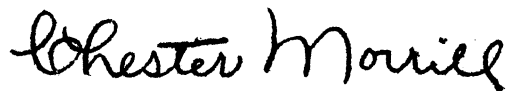
Section 319 of the Banking Act of 1935 approved August 23, 1935, provides that "Any member bank which holds capital stock of a Federal Reserve bank in excess of the amount required on the basis of six percentum of its paid-up capital stock and surplus shall surrender such excess stock". Accordingly, it is requested that a check-up be made of each member bank's holdings of Federal Reserve bank stock, using the June 29, 1935 condition reports as a basis, and that any member bank holding stock in excess of six per cent of its aggregate paid-up capital stock, capital notes and debentures sold to the Reconstruction Finance Corporation, and surplus, including reserve for dividends payable in common stock described in the Board's letter of May 20, 1935 (X-9215), be requested to submit an application for cancelation of its excess holdings. The attached application form, a supply of which should be prepared locally, should be used for this purpose. When an application in any such case has been found to be correct and in proper form the Federal Reserve bank stock may be canceled without submitting the application to the Federal Reserve Board.

-2-

X-9297

As you know, the draft of the proposed revision of Regulation I provides that applications for issuance and cancelation of Federal Reserve bank stock, except incident to applications for membership, shall be handled at the Federal Reserve banks without submission to the Board. Although the revised regulation has not been approved by the Board, until further notice it will not be necessary to submit to the Board applications for cancelation of Federal Reserve bank stock on account of excess holdings thereof, even though such holdings of Federal Reserve bank stock may have become excessive subsequent to the date of the enactment of the Banking Act of 1935. Pending the issuance of revised Regulation I, please furnish the Board at the end of each month with a statement showing, by banks, the number of shares of Federal Reserve bank stock canceled on applications submitted on the inclosed form.

Very truly yours,



Chester Morrill,
Secretary.

Inclosure.

To all Federal Reserve Agents.

FEDERAL RESERVE BOARD
Form 60 - Temporary
(August 1935)

NOTE: This application should be sent to the
Federal Reserve Bank of your district.

APPLICATION FOR REDUCTION IN HOLDINGS OF FEDERAL RESERVE BANK STOCK

.....
(Date of Application)

Under the terms and provisions of the Federal Reserve Act, this Bank hereby
makes application for the adjustment shown below in its holdings of the capital
stock of the

FEDERAL RESERVE BANK OF

The capital and surplus of this Bank, on date of this application, is as
follows:

Capital notes or debentures sold to Reconstruction Finance Corporation	\$.....
Capital stock (par value, unless not fully paid in, in which case show amount paid in):	
First preferred
Second preferred
Common
Surplus
Reserve for dividends payable in common stock
TOTAL =====

Six per cent of the above capital and surplus, including NUMBER OF SHARES reserve for dividends payable in common stock, amounts to \$....., and the number of shares of Federal Reserve bank stock of the par value of \$100 each which this bank is required to hold is 1/

Federal Reserve bank stock now held

This bank, therefore, hereby makes application for the cancelation of shares of Federal Reserve bank stock.

The above action will be reported to the Board of Directors of this Bank at its next meeting.

.....
(Legal name of bank)

.....
(City or town and State)

.....
(Charter number)

By.....
(President)

(SEAL OF BANK)

ATTEST:
(Cashier or Secretary)

1/ If 6 per cent of the capital and surplus, including reserve for dividends payable in common stock, amounts to a sum not divisible by 100, the bank should hold one additional share of stock for any excess or fractional part of \$100.

(OVER)

(Reserve side of Federal Reserve Board Form 60 - Temporary)

X-9297-a

CERTIFICATE OF CANCELATION OF FEDERAL RESERVE BANK STOCK

_____ shares of Federal Reserve bank stock were canceled
and refund made thereon on _____
(Date)

(Deputy Governor)