

INTERPRETATION OF LAW OR REGULATION

X-9708

Sec. 9 FPA-3

(Copies to be sent to all Federal reserve banks)

September 26, 1936.

Mr. _____, Vice President,
Federal Reserve Bank of _____,
_____, _____.

Dear Mr. _____:

This refers to previous correspondence with regard to the question whether the removal of the branch of the _____ Trust Company, _____, _____, from 1201 Broadway to 1399 Broadway, _____, _____, constitutes the establishment of a branch at the new street address which would require the Board's approval under the provisions of section 9 of the Federal Reserve Act.

In Mr. _____ letter to the Board of June 16, 1936, it was stated that the branch in question was established on January 18, 1926, at 1201 Broadway, _____, _____; that it was operated at this location continuously from such date through Saturday, February 29, 1936, on which date it moved to the new location, 1399 Broadway, _____, _____, opening for business Monday morning, March 2, 1936; that there was no interruption in the business of the branch in connection with its removal; that there has been no change in the character of the business conducted by the branch at the new location; that there are no new elements of competition with other banks resulting from the change in location; and that the branch will continue to serve the same customers as

heretofore to better advantage. While Mr. _____ letter is not entirely clear, it is understood that Broadway-_____ (apparently a subdivision in the city of _____) is located more than a mile from the business center of _____ proper; that the business district of Broadway-_____ is confined to Broadway Avenue, extending four blocks thereon; and that the former location of the branch was at the extreme edge of the Broadway-_____ business district while the new location is in the heart of it. In this connection, it appears that the branch has not moved into the business district of _____ proper, but the new location is substantially in the same business district as theretofore. It is also noted that the removal of the branch in question was effected in accordance with the laws of the State of _____ and with the approval of the Superintendent of Banks and that Counsel for your bank is of the opinion that the removal of the branch in question could not properly be considered as the establishment of a new branch office within the meaning of the applicable provisions of the laws of the State of _____.

On the basis of the facts stated above the Board has reached the conclusion that the removal of such branch to the new street address does not constitute the establishment of a branch within the meaning of the applicable provisions of section 9 of the Federal Reserve Act and, therefore, the Board's approval is not required.

The Board's conclusion in this case should not be considered as having general application to all cases where an out-of-town branch

of a State member bank moves to a new street address in the same city. Therefore, in any future case where it comes to your attention that a State member bank in your district has changed or intends to change the location of an out-of-town branch, whether such change is to a new street address in the same city or not, it will be appreciated if you will advise the Board fully as to all the facts and circumstances involved in order that the Board may determine whether such removal constitutes the establishment of a branch within the meaning of section 9 of the Federal Reserve Act, thereby requiring the Board's approval.

Very truly yours,

(Signed) L. P. Bethea

L. P. Bethea,
Assistant Secretary.