

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

R-571

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

December 7, 1939



Dear Sir:

There are enclosed herewith six copies of a tentative draft (L-653) of an amendment to the Board's Regulation L, Interlocking Bank Directorates under the Clayton Act, which would exempt relationships between a trust company which does not accept deposits and a bank which does not exercise trust powers. It will be appreciated if you will furnish the Board with your recommendation as to the desirability of adopting this amendment, together with any comments or suggestions which you may have regarding its form.

In view of the fact that the amendment may affect some relationships which are now existing by virtue of the permission granted in subsection 3(e) of Regulation L and which, therefore, will have to terminate on February 1, 1940 unless the enclosed amendment is adopted, it is requested that your reply to this letter be made at your earliest convenience.

Very truly yours,

A handwritten signature in cursive script that reads "Chester Morrill".

Chester Morrill,
Secretary.

Enclosures 6

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS

L-653

RESOLVED, That section 3 of Regulation L, Interlocking Bank Directorates under the Clayton Act, be amended, effective immediately, by striking out paragraph (c) thereof and substituting the following:

(c) Any director, officer, or employee of a member bank of the Federal Reserve System which does not maintain a trust department and which is not authorized to exercise trust powers may be at the same time a director, officer, or employee of not more than one trust company which does not receive or hold deposits*; and any director, officer, or employee of a trust company which is a member of the Federal Reserve System and which does not receive or hold deposits* may be at the same time a director, officer, or employee of not more than one bank, banking association, or savings bank which does not maintain a trust department and which is not authorized to exercise trust powers.

*The term "deposits" shall not include funds received and held in a fiduciary capacity.