

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

S-353
Reg. 0-43

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

September 23, 1941



Dear Sir:

As stated in the Board's letter of July 17, 1941, the Board has been requested both by the office of the Comptroller of the Currency and by one of the Federal Reserve Banks to render an opinion on the question whether an officer of a member bank, who is also serving as a director and as a member of the discount committee of the bank, is to be regarded as an executive officer within the meaning of the Board's Regulation O, as amended effective July 1, 1939, notwithstanding the adoption of a resolution by the board of directors providing that he is not authorized to participate in its operating management.

The Board of Governors has considered this question in the light of the definition of the term "executive officer" in its Regulation O, the views expressed by Federal Reserve Banks and others who have considered this matter, and the authority of the Board to define the term "executive officer". The Board has concluded that an officer of a member bank, who is also serving as a director and as a member of the discount committee and with respect to whom a resolution as described above has been adopted by the board of directors, is to be considered an executive officer within the meaning of Regulation O except in a case where a provision of the by-laws of the bank or a resolution of the board of directors requires the service in rotation of every director as a member of the discount committee and the directors do in fact serve as members of the committee in accordance with such by-law or resolution.

Very truly yours,

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

Chester Morrill,
Secretary.

TO THE PRESIDENTS OF ALL FEDERAL RESERVE BANKS