

MEMO# 2214

September 24, 1990

FED AUTHORIZES EQUITY UNDERWRITING FOR SECTION 20 SUBSIDIARY

September 24, 1990 TO: BOARD OF GOVERNORS NO. 68-90 SEC RULES COMMITTEE NO. 53-90 RE: FED AUTHORIZES EQUITY UNDERWRITING FOR SECTION 20 SUBSIDIARY

The Federal Reserve Board has given final approval for a bank holding company subsidiary, J.P. Morgan Securities Inc., to engage in underwriting and dealing in equity securities. A copy of the Board's letter granting approval is attached. The Board previously had approved the application of J.P. Morgan, along with those of four other bank holding companies, to engage in underwriting and dealing in both debt and equity securities; however, the Board delayed final approval with respect to equity securities activities until such time as it determined that each applicant had established the necessary managerial and operational infrastructure. (See Memorandum to Board of Governors No. 5-89 and SEC Rules Committee No. 5-89, dated January 19, 1989.) The Board's action leaves mutual fund sponsorship and underwriting as the only significant securities activities not authorized for bank holding company affiliates. Craig S. Tyle Associate General Counsel Attachment

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