



**Comptroller of the Currency
Administrator of National Banks**

Northeastern District
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**Interpretive Letter #859
April 1999
12 USC 24(6)
12 CFR 7.2000**

March 29, 1999

Dear []:

This responds to your letter, dated February 18, 1999, requesting that the Office of the Comptroller of the Currency (“OCC”) not object to the Board of Directors (“Board”) of the [] (“Bank”), conducting regular meetings of the Board by means of video teleconference. In your letter, you suggest that the routine use of video teleconferencing would be consistent with federal banking law and regulations and with safe and sound banking practices. As discussed below, the OCC will not object to the Bank’s proposal.

You indicate that the Board of the Bank has received from the OCC a waiver of the residency requirements of 12 U.S.C. § 72 and that the directors, in fact, are located in different states. The different locations of directors result in difficulties in coordinating the scheduling of meetings and the attendance of the full Board at all regular meetings. You suggest permitting the Board to participate at such meetings by means of video teleconference technology will enhance each director’s ability to fulfill his statutory and fiduciary duties by making his attendance and participation at meetings more convenient. In addition, use of video teleconferencing will enable directors to participate fully and effectively in the meetings with less expenditure of time and expense to travel to the Bank’s main office in Wilmington, Delaware, or to another designated location.

As you note, federal banking law does not specify the manner in which a national bank’s Board must conduct its meetings. The National Bank Act, however, permits a national bank’s Board “[t]o prescribe bylaws not inconsistent with law regulating the manner ... its general business [is to be] conducted ...” 12 U.S.C. § 24(Sixth). This authority to adopt by-laws is sufficiently broad to include the power to adopt procedures governing regular Board meetings, including the ability to conduct these meetings by video teleconferencing. You note that the Bank has, in fact, already adopted in its by-laws the Delaware General Corporation Law for its corporate governance procedures, and that this law allows meetings to be conducted by means of conference telephone or similar communications

equipment.¹ You further note that this method of conducting Board meeting is not inconsistent with federal banking law. Accordingly, the OCC will not object if the Board holds its regular meetings by video teleconference.

Sincerely,

/s/

Jonathan H. Rushdoony
District Counsel

¹ 8 Del. Code §141(i) (1998). OCC Interpretive Ruling 7.2000(b) accepts the Delaware General Corporation Law as a source of corporate governance procedures for national banks.