

M. J. Jones

FEDERAL RESERVE BANK OF CHICAGO

GOVERNMENT BOND DEPARTMENT

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NOTICE TO HOLDERS OF FIRST AND SECOND LIBERTY LOAN BONDS

CONVERSION PRIVILEGE

Holders of the 4% bonds of the First Liberty Loan converted and of the Second Liberty Loan should PROMPTLY avail themselves of the privilege of converting into 4 1/4% bonds BY PRESENTING THEIR BONDS FOR CONVERSION THROUGH THE BANKS WHICH HANDLED THE ORIGINAL SUBSCRIPTIONS.

These bonds are not convertible after November 9, 1918 even if subsequent series of bonds should be offered at a higher rate. Therefore, the conversion privilege must be exercised, if at all, on or before November 9, 1918 and failure to convert the 4% bonds described above will result in loss to the bondholders of interest at the rate of 1/4% per annum for the entire unexpired term of the bond, without compensating advantage.

The bonds to be delivered upon this conversion will bear interest at the rate of 4 1/4% per annum from the last interest date (May 15, 1918 or June 15, 1918). No payment of accrued interest is required.

Holders of the 3 1/2% bonds of the First Liberty Loan may convert their bonds into 4 1/4% bonds on or before November 9, 1918 or may convert into any subsequent series of long term bonds offered during the continuation of the war, bearing interest at a higher rate than 3 1/2%. (For detailed explanation see page 6 of Treasury Department Circular No. 114). If the holder of 3 1/2% bonds elects to exercise the present conversion privilege, accrued interest at the rate of 3/4% per annum from June 15, 1918 to the date the bonds are received at the Federal Reserve Bank of Chicago for conversion, must be paid to the United States. The bonds to be delivered upon such conversions will bear interest at the rate of 4 1/4% per annum from June 15, 1918.

FEDERAL RESERVE BANK OF CHICAGO
Fiscal Agent of the United States.