

**FEDERAL RESERVE BANK
OF DALLAS**

October 20, 1931

**To All Banks and Trust Companies,
Eleventh Federal Reserve District:**

At the request of the National Credit Corporation, which has been organized by a committee of bankers upon suggestion of the President of the United States, there is enclosed a copy of the plan of organization and operation of the Corporation, together with the form of subscription blank referred to therein. This is transmitted to you for the purpose of conveying information as to the nature of the plan and in order that you may enter your subscription if you so desire.

Please note that subscriptions should not be sent to the Federal Reserve Bank but should be addressed to Mr. Nathan Adams, Director, National Credit Corporation, Dallas, Texas.

Respectfully,

A handwritten signature in cursive script, reading "B. A. McKinney". The signature is written in dark ink and is positioned above the printed name "Governor.".

Governor.

SUBSCRIPTION AGREEMENT

To the Board of Directors of The National Credit Corporation:

In order to comply with the request of the President of the United States, it is understood that The National Credit Corporation, a corporation organized and existing under the laws of the state of Delaware, proposes to offer for subscription by the banks throughout the country an issue of its gold notes not exceeding \$1,000,000,000. These notes are payable one year after their date with the right to the Corporation to one or more extensions of the date of maturity, not exceeding in the aggregate 3 additional years. They bear interest up to but not exceeding 6 per cent per annum, payable only if earned and when and as ascertained and declared by the Board of Directors and are redeemable by the Corporation at any time in whole or in part at their face amount plus accrued and unpaid interest on the basis aforesaid.

The undersigned in consideration of similar subscriptions by others, hereby agrees with the Corporation to subscribe and hereby subscribes to said notes at par in the principal amount set opposite its signature hereto, said amount being equal to either (a) 2 per cent of the net demand and time deposits of the undersigned as of the date of the call last preceding October 14, 1931, namely, _____, 1931; or (b) 10 per cent of the capital and surplus of the undersigned, whichever is less.

This subscription will be payable in installments on the call of the Board of Directors of the Corporation, as and when required, of which call the Corporation shall give five days' written notice. Notes are to be issued and delivered to the undersigned in temporary or definitive form from time to time to the principal amount of the installments paid.

Dated _____, 1931. Name _____

Address _____

Amount of notes subscribed for \$ _____

By _____
Authorized Officer.

NOTE: The foregoing should be executed in duplicate by an authorized officer and the amount of subscription should be filled in in figures and the date of the last call should be filled in. The duplicate executed copies together with a certified copy of resolution of the board of directors or executive committee of the subscribing bank, authorizing the subscription, should be sent to The National Credit Corporation, in care of Nathan Adams, Director for Eleventh Federal Reserve District, Dallas, Texas.

Character of Notes

The notes will be issued under an agreement and will be payable one year from their date with the right to the Corporation to one or more extensions of the date of maturity, not exceeding in the aggregate three additional years, but are subject to earlier redemption at the option of the Corporation at their face amount plus interest as provided in the agreement. Notes will carry interest if earned at a rate up to but not exceeding 6 per cent per annum, payable until maturity, only out of the surplus and net income of the Corporation when and as ascertained and declared by the Board of Directors. The notes will be issued in registered form only and will be authenticated by a bank or trust company as agent. The notes and the agreement under which they are issued will contain such other terms and provisions as shall be approved by the Board of Directors of the Corporation.

Office

It is contemplated that the Corporation or its principal subsidiary will have its main office in the city of New York.

Forms

Agreements, subscriptions, notes and other instruments required by the plan will be provided by the Corporation and forms will be furnished on application therefor.