

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 77-109  
September 29, 1977

TO ALL MEMBER BANKS IN THE  
ELEVENTH FEDERAL RESERVE DISTRICT:

The Federal Reserve Bank of Dallas is initiating a procedure for simplifying the issuance and redemption of Federal Reserve Bank stock. To be specific, as an adjustment becomes necessary in the stockholdings of a member bank, its outstanding stock certificates will be called in and canceled. An Advice of Holdings of Federal Reserve Bank stock reflecting the adjustment in stockholdings will then be issued in lieu of the engraved stock certificate. In view of the successful transition to book-entry handling of Government and other similar securities, we believe this book-entry procedure for handling the capital stock of this Bank will ease related clerical and administrative workloads at your bank as well as the Federal Reserve Bank.

Perhaps there are many member banks which would prefer to tender their Federal Reserve Bank capital stock in advance of any future need to do so based upon an adjustment in its present paid-in capital and surplus. Although the tendering of engraved stock certificates is optional with a member bank at this time, it is expected that all outstanding Federal Reserve Bank stock certificates will eventually be replaced by Advice of Holdings of Federal Reserve Bank stock. For those banks which choose to convert their stock certificates at this time, all outstanding Federal Reserve Bank stock certificates, including those covering shares purchased prior to March 28, 1942, as well as those covering shares purchased on or after March 28, 1942, should be returned to this Bank in order to be replaced by the Advice of Holdings of Federal Reserve Bank stock.

The engraved stock certificates which are returned to this Bank will subsequently be canceled. As was the case with the formal engraved certificate, the new Advice of Holdings will be nonnegotiable and nontransferable. The Advice of Holdings indicates on the face the number of shares purchased prior to March 28, 1942 and the number of shares purchased on or after March 28, 1942. It should be noted that since all outstanding Federal Reserve stock certificates are nonnegotiable and nontransferable, there is no need to treat them any differently than other first-class mail when returning the certificates to us. Certainly no insurance is necessary thereon.

Any questions you may have concerning this book-entry procedure should be directed to Richard D. Ingram, Assistant Vice President of this Bank, at Ext. 6333.

Sincerely yours,  
Robert H. Boykin  
First Vice President

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Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-492-4403 (intrastate) and 1-800-527-4970 (interstate). For calls placed locally, please use 651 plus the extension referred to above.