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C O P Y

## FEDERAL RESERVE BANK OF SAN FRANCISCO

March 6, 1940

Walter Wyatt, Esq.  
General Counsel  
Board of Governors of the Federal Reserve  
System  
Washington, D. C.

Dear Mr. Wyatt:

Under date of February 21, 1940, I received from Mr. Thomas B. Paton, Assistant General Counsel to the American Bankers Association, proposed forms of collateral note and unsecured note, which Mr. Paton stated he was revising for distribution to banks in the various states. Mr. Paton requested that I comment upon the proposed forms.

I enclose herewith copy of my letter of this date to Mr. Paton, together with copy of the memorandum of criticism referred to therein.

Very truly yours,

(Signed) Albert C. Agnew  
Counsel.

Enclosures  
ACA:MA

C O P Y

March 6, 1940

Thomas B. Paton, Esq.  
Assistant General Counsel  
The American Bankers Association  
22 East 40th Street  
New York, N. Y.

Dear Mr. Paton:

This is in reply to your letter of February 21, 1940, with which you transmitted forms of collateral note and unsecured note which you propose to suggest for use by banks in the various states.

In accordance with your request, I have reviewed the proposed forms and hand you herewith my comments regarding the same.

Since I note from your letter that you were mailing similar requests to counsel for the other Federal Reserve Banks, I am sending a copy of this letter to Mr. Walter Wyatt, General Counsel to the Board of Governors of the Federal Reserve System, whose office acts as a clearing house in matters of this kind in so far as the Federal Reserve Banks are concerned.

With kindest personal regards, I am

Very truly yours,

(Signed) ALBERT C. AGNEW

Counsel.

Enclosure  
ACA:MA

C O P Y

March 6, 1940

Re: Notes Forms of American  
Bankers Association

MEMORANDUM TO MR. THOMAS B. PATON:

FROM MR. ALBERT C. AGNEW.

The following are my comments regarding the "Collateral Note Form" and "Unsecured Note Form", transmitted with your letter of February 21, 1940.

COLLATERAL NOTE FORM

Medium of Payment:

The note should provide for the kind of money in which the obligation is payable, such as "lawful money of the United States".

Interest:

The note should provide for the payment of interest and the rate thereof. The amount payable does not appear to include interest, for the note provides that when the final payment is made, there shall also be paid the "interest then remaining unpaid".

"Late Charges":

If too large an amount is inserted as the "late charge", the note might be rendered usurious. The rule in most jurisdictions is that a provision in a note or other contract for the payment of money, by which the debtor agrees to pay after maturity interest at a higher rate than permitted by the usury laws, or a sum of money which will exceed that rate, does not render the note or other contract usurious, if the parties in making the contract act in good faith, without intent of evading the usury law. Nevertheless, in some states the usury statutes have been construed as prohibiting the charging of more than the legal rate even after maturity. See the Annotation on this subject in 82 A.L.R. at page 1213.



-2-

Charges Collectible in Event of Suit:

In the next to the last line of the second paragraph on page 1, it might be well to add after the words, "balance hereof", the words, "together with any unpaid interest".

Negotiability:

Some of the contingencies in the optional acceleration clause in the last paragraph on page 2, other than the one in the subdivision numbered (1), (as well as the one in the first four lines on page 2), would render the notes nonnegotiable in all states, while the others would jeopardize their negotiability in many states. As you know, the general rule is that provisions which permit the holder to declare the note due upon a contingency wholly under the control of the holder render the note nonnegotiable, whereas those which permit the holder to accelerate the maturity upon contingencies solely within the control of the maker do not. The most common example of a provision of the first type is one permitting the holder to declare the note due when he deems himself insecure - examples of the second type are those permitting the holder to declare the note due upon a default in the payment of interest or principal, or in the event of the failure to pay any one of a series of notes. There is also the third type of acceleration provision which permits the holder to declare the note due upon the happening of an event indicated in the paper but not within the control of either the maker or holder, as for example, one permitting the holder to declare the note due if the maker should suffer a fire loss. As to this third type, there is such a contrariety of opinion that it is impossible to draw any conclusion as to what the rule would be in a particular state in the absence of a decision directly in point.

Consent to Extensions of Time:

(Next to last paragraph, page 3). The great weight of authority is that provisions of the type included in this note, whereby the maker, endorsers, sureties and guarantors consent to any and all extensions of time, do not affect the negotiability of the note. There is, however, a minority rule which has been adopted in some states, of which Idaho is one, to the effect that such a provision destroys the negotiability of the note. See Union Stockyards National Bank v. Bolan, 14 Idaho 87, 93 Pac. 508; Sanderson v. Clark, 33 Idaho 359, 194 Pac. 472. See also the excellent Annotation on this subject in 77 A.L.R., at page 1097.

Authority to Fill in Blank Spaces:

In the fourth line from the bottom on page 3, it might be well to add after the words, "The Bank is authorized by each of the undersigned", the words, "and by all guarantors, sureties and endorsers hereof", so that any of the parties last named who may have signed the note before it was completed, will have consented to the completion.

Transfer by Bank:

Would the second paragraph on page 4 be acceptable to an agency of discount? That is, isn't the discharge "from any liability or responsibility in the matter" too broad? Presumably, it is intended to refer to any liability or responsibility with respect to the collateral arising by virtue of any occurrences taking place after the transfer is made, but it does not so state.

Reverse Side of Note:

In addition to the guaranty clause on the reverse side of the note, it would be advisable to provide a separate space for regular endorsements, preceded by the word "Endorsement" or "Endorsements". The reason for separating the endorsements from the guaranty is that there is some question as to whether or not a guaranty is also an endorsement. Although the majority rule seems to be that an endorsement in the form of a guaranty, or one containing a guaranty, operates as a transfer of the instrument and creates the same liabilities as those incurred by an endorser in addition to the liability of a guarantor, nevertheless there are cases to the contrary - the leading one being Central Trust Co. v. First National Bank, 101 U.S. 68, 25 L. Ed. 876.

NOTE FORM (UNSECURED)

The foregoing comments are applicable to the unsecured note form also, except there are, of course, no contingencies similar to those enumerated in subdivisions (5) and (6) of the acceleration provision in the collateral note form, in the unsecured form.

(Signed) ALBERT C. AGNEW  
Counsel

ACA:MA

TELEGRAM

FEDERAL RESERVE SYSTEM

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TELEGRAM

FEDERAL RESERVE SYSTEM

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RECEIVED AT WASHINGTON, D. C.,

Sanfrancisco January 20, 1020am,

Board

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Clerk

120pm,

MEMBER BANK PROMISSORY NOTE SECURED BY OBLIGATIONS OF THE UNITED STATES

\$

(Place)

(Date)

\_\_\_\_\_ days after date for value received,  
(Not to exceed 15 days)  
the \_\_\_\_\_ promises  
to pay to the FEDERAL RESERVE BANK OF BOSTON, or order, at said Federal Reserve Bank,  
\_\_\_\_\_ Dollars,

having deposited with said Federal Reserve Bank, as collateral security for the payment of this or any other promissory note or notes made or hereafter to be made by the said bank and payable to the Federal Reserve Bank of Boston, bonds and other obligations of the United States as follows:—

With power on the non-payment of this or any other such promissory note when due, or at any time or times thereafter, to sell, assign, transfer and deliver, or otherwise dispose of said security or any security added to or substituted for the same, or any part thereof, at public auction or private sale, without notice; and the said Federal Reserve Bank may become the purchaser at any such sale, if at public auction; and any security substituted for the above, or added thereto, shall be equally covered by this agreement. Should the value of the security hereby or hereafter pledged depreciate in the judgment of the said Federal Reserve Bank, this bank hereby agrees to deposit, on demand, additional security satisfactory to the said Federal Reserve Bank.

After deducting all legal or other costs and expenses of collection, sale and delivery, the residue of the proceeds may be applied to the payment of this or any other such promissory note, whether then payable or not, returning the overplus to the undersigned.

\_\_\_\_\_  
Bank.  
Trust Company.

\_\_\_\_\_  
Cashier.  
Treasurer.

\$ \_\_\_\_\_

(Place)

(Date)

\_\_\_\_\_ days after date for value received,  
 (Not to exceed 15 days)  
 the \_\_\_\_\_ promises  
 to pay to the FEDERAL RESERVE BANK OF BOSTON, or order, at said Federal Reserve Bank,  
 \_\_\_\_\_ Dollars,

having deposited with said Federal Reserve Bank, as collateral security for the payment of this or any other promissory note or notes made or hereafter to be made by the said bank and payable to the Federal Reserve Bank of Boston, bonds and other obligations of the United States as follows:—

With power on the non-payment of this or any other such promissory note when due, or at any time or times thereafter, to sell, assign, transfer and deliver, or otherwise dispose of said security or any security added to or substituted for the same, or any part thereof, at public auction or private sale, without notice; and the said Federal Reserve Bank may become the purchaser at any such sale, if at public auction; and any security substituted for the above, or added thereto, shall be equally covered by this agreement. Should the value of the security hereby or hereafter pledged depreciate in the judgment of the said Federal Reserve Bank, this bank hereby agrees to deposit, on demand, additional security satisfactory to the said Federal Reserve Bank.

After deducting all legal or other costs and expenses of collection, sale and delivery, the residue of the proceeds may be applied to the payment of this or any other such promissory note, whether then payable or not, returning the overplus to the undersigned.

\_\_\_\_\_  
 Bank.  
 Trust Company.

\_\_\_\_\_  
 Cashier.  
 Treasurer.



## GENERAL LOAN AND COLLATERAL AGREEMENT.

**Know All Men by These Presents** that in consideration of advances or rediscounts at this time or heretofore granted to it by the Federal Reserve Bank of Boston and/or in consideration of obtaining such further advances, rediscounts, loans or credits as may hereafter be granted to it by the Federal Reserve Bank of Boston, the undersigned bank hereby agrees that as collateral security for any and all loans, advances, rediscounts, indebtedness, obligation and liability of the undersigned bank to the said Federal reserve bank, now or hereafter existing, matured or not matured, absolute or contingent, and wherever payable, including such as may arise from indorsements of notes, acceptances or any other items, or paper discounted by said Federal reserve bank or held by said Federal reserve bank as security for any loans or advances of any sort whatever, and including overdrafts and indebtedness by the undersigned bank to said Federal reserve bank on account of collections or paper received for collection, said Federal reserve bank shall hold, retain and have a lien upon all moneys, negotiable instruments, bonds, stocks, commercial paper, credits, choses in action, claims and demands of every kind at any time in possession or control of said Federal reserve bank or any of its agents or correspondents, or in transit to it by mail or carrier, belonging to, for account of or subject to the order of the undersigned bank; and said Federal reserve bank shall have the following rights and powers in respect to such collaterals and every part thereof (in addition to any other rights which it may have): Said Federal reserve bank may at any time or times collect any of such collaterals, and it may indorse any thereof in behalf and in the name of the undersigned; and in case of failure of the undersigned to pay or discharge when due any such loan, indebtedness, obligation or liability, or in case of failure of the undersigned bank to furnish additional collateral as hereinafter provided, or in case of the insolvency, general assignment, receivership, bankruptcy or failure in business of the undersigned bank, said Federal reserve bank may sell without notice any of said collaterals at private or public sale or at broker's board (being at liberty to become the purchaser if the sale is public or at broker's board) and may apply any and all money or credits, including the proceeds of any such sale, and any debts, liabilities or balances, due or not due, in favor of the undersigned bank, arising from deposits, discounts, collections, items in transit, or otherwise, at any time owing or due from or chargeable against said Federal reserve bank, or any of its agents or correspondents, to the payment of expenses of any such sale or sales, or of the realization or collection of any of said collaterals, or of any of said loans, advances, rediscounts, indebtedness, obligation or liability of the undersigned bank, and to the payment of any and all loans, indebtedness, obligation or liability of the undersigned bank, whether due or not due; and any or all loans, indebtedness, obligation or liability of the undersigned bank shall in any of the cases above stated become due at the option of said Federal reserve bank. If the collaterals securing any loans, indebtedness, obligation or liability of the undersigned bank to said Federal reserve bank shall at any time be unsatisfactory in amount or otherwise to said Federal reserve bank, or to any of its officers, the undersigned bank will immediately furnish such further security as will be satisfactory to said Federal reserve bank. Said Federal reserve bank may assign or transfer the whole or any part of any indebtedness, obligation or liability of the undersigned bank, and may transfer therewith as collateral security therefor, the whole or any part of the collaterals above referred to, and the transferee shall have the same rights and powers with reference to the indebtedness, obligation or liability transferred, and the collaterals transferred therewith, as are hereby given to said Federal reserve bank. It is also agreed that this instrument constitutes a continuing agreement between the undersigned bank and the said Federal reserve bank applying to all future, as well as existing, transactions between the said parties and also that the force and effect hereof shall not be terminated by the closing at any time of all transactions between the said parties, but that the same shall apply thereafter to any new transactions and shall continue in full force until notice is received in writing by either party from the other of the intention to terminate it, whereupon, it shall be of no effect for any indebtedness subsequently created.

**In Witness Whereof,** the.....  
has caused its corporate seal to be hereto affixed and these presents to be signed by one of its officers thereunto duly authorized at..... this..... day of ..... 19.....

.....  
(Name of bank)

By .....  
(Title)

[SEAL]

# 2  
332-3-8

FEDERAL RESERVE BANK  
OF NEW YORK



January 20, 1925.

Federal Reserve Board,  
Washington, D. C.

Attention of Mr. J. G. Noell, Assistant Secretary

Dear Mr. Noell:

As requested in your telegram of to-day addressed to  
Governor Strong, I am enclosing

- 2 copies of the Federal Reserve Bank of New York  
member bank collateral note form
- 2 copies application for rediscount or advance
- 2 copies form of application for rediscount or  
advance secured by obligations of the  
United States government
- 2 copies of resolution to be adopted by board  
of directors of member bank authorizing  
execution of general loan and collateral  
agreement, and
- 2 copies of general loan and collateral agreement.

Very truly yours,

J. H. Case  
Deputy Governor.

Encs.



LOCATION OF BANK

\$

DATE

.....days after date, for value received, the undersigned bank promises  
 (NOT TO EXCEED 15 DAYS)  
 to pay to the order of the FEDERAL RESERVE BANK OF NEW YORK at its  
 OFFICE IN THE CITY OF NEW YORK, N. Y.

..... DOLLARS  
 having deposited with and pledged to the said Federal reserve bank, as collateral security for the  
 payment of this and any other liability or liabilities, whether direct or contingent, of the under-  
 signed bank to the said Federal reserve bank, due or to become due or that may be hereafter  
 contracted, notes, drafts, bills of exchange or bankers' acceptances, or bonds or notes of the United  
 States, as described in the schedule included in the application for loan, dated.....  
 .....accompanying and made a part hereof. The said Federal reserve bank is also given a  
 lien, for the payment of this note and any other of the said liabilities upon all the property or  
 securities now or hereafter left in the possession of said Federal reserve bank by the undersigned  
 bank and also upon any balance of the deposit account of the undersigned bank with the said  
 Federal reserve bank, and it is hereby agreed by the undersigned bank that the said Federal re-  
 serve bank has the right to require such additional security as it may deem proper, and, on failure  
 to respond forthwith to such requirement or on the nonpayment of this note or on the nonpayment  
 of any other liability or liabilities of the undersigned bank as above set forth, the said Federal  
 reserve bank, or any holder hereof, is hereby given full authority to sell, assign and deliver, or  
 collect, the whole or any part of the above named collaterals, or any substitute therefor, or any  
 addition thereto, at any public or private sale or on any brokers' board or stock exchange, at any  
 time or times hereafter, without demand, advertisement or notice; and, upon such sale, the said  
 Federal reserve bank or the holder hereof may become the purchaser of the whole or any part of  
 such collaterals, free from any right of redemption, and, after deducting all legal or other costs  
 and expenses for collection, sale and delivery, may apply the residue or the proceeds of such  
 collections, sale or sales to the payment of any, either or all of the said liabilities, as the said  
 Federal reserve bank, or its assigns, shall deem proper, returning the over-plus to the undersigned  
 bank. It is agreed that in the event of the insolvency or bankruptcy of, or the appointment of  
 a receiver for, the undersigned bank, this note and all the said liabilities and each of them shall  
 at the option of the said Federal reserve bank become immediately due and payable, without de-  
 mand or notice.

By

LOCATION OF BANK

\$

DATE

.....days after date, for value received, the undersigned bank promises  
 (NOT TO EXCEED 15 DAYS)  
 to pay to the order of the FEDERAL RESERVE BANK OF NEW YORK at its  
 OFFICE IN THE CITY OF NEW YORK, N. Y.

..... DOLLARS  
 having deposited with and pledged to the said Federal reserve bank, as collateral security for the  
 payment of this and any other liability or liabilities, whether direct or contingent, of the under-  
 signed bank to the said Federal reserve bank, due or to become due or that may be hereafter  
 contracted, notes, drafts, bills of exchange or bankers' acceptances, or bonds or notes of the United  
 States, as described in the schedule included in the application for loan, dated.....  
 .....accompanying and made a part hereof. The said Federal reserve bank is also given a  
 lien, for the payment of this note and any other of the said liabilities upon all the property or  
 securities now or hereafter left in the possession of said Federal reserve bank by the undersigned  
 bank and also upon any balance of the deposit account of the undersigned bank with the said  
 Federal reserve bank, and it is hereby agreed by the undersigned bank that the said Federal re-  
 serve bank has the right to require such additional security as it may deem proper, and, on failure  
 to respond forthwith to such requirement or on the nonpayment of this note or on the nonpayment  
 of any other liability or liabilities of the undersigned bank as above set forth, the said Federal  
 reserve bank, or any holder hereof, is hereby given full authority to sell, assign and deliver, or  
 collect, the whole or any part of the above named collaterals, or any substitute therefor, or any  
 addition thereto, at any public or private sale or on any brokers' board or stock exchange, at any  
 time or times hereafter, without demand, advertisement or notice; and, upon such sale, the said  
 Federal reserve bank or the holder hereof may become the purchaser of the whole or any part of  
 such collaterals, free from any right of redemption, and, after deducting all legal or other costs  
 and expenses for collection, sale and delivery, may apply the residue or the proceeds of such  
 collections, sale or sales to the payment of any, either or all of the said liabilities, as the said  
 Federal reserve bank, or its assigns, shall deem proper, returning the over-plus to the undersigned  
 bank. It is agreed that in the event of the insolvency or bankruptcy of, or the appointment of  
 a receiver for, the undersigned bank, this note and all the said liabilities and each of them shall  
 at the option of the said Federal reserve bank become immediately due and payable, without de-  
 mand or notice.

By.....





PLEASE NOTE CAREFULLY

Please give, with respect to each name, commercial agency rating if available, and your estimate of present net worth, if your files contain such information. Indicate your estimate of the net worth by placing the letters "N.W." before your figures. Insert the name of the agency at the top of the column if ratings are given.

Insert either a "D" or a "P" in the column headed "Depositors or Purchased" to indicate whether the paper was discounted for a depositor or purchased. The "D" should appear on the line with the name of the discounter.

Please show in the appropriate column the rate of interest or discount received by you on all paper offered for rediscount.

Insert an "S" in the column headed "Statement," on the line with each party whose statement is on file.

Notes, drafts, bills of exchange and acceptances submitted for rediscount or as collateral should be indorsed in blank in the following form:

First National Bank, Blankville, N. Y.

Cashier.

Each indorsement of a member bank should be signed by an officer whose signature and authority to indorse have been filed with this bank.

A promissory note of a member bank must have a maturity not exceeding fifteen days from date of discount.

Industrial and commercial paper must have a maturity not exceeding ninety days from date of rediscount, or from date of advance, if used as collateral.

Agricultural or live stock paper must have a maturity not exceeding nine months from date of rediscount, or from date of advance if used as collateral.

For further information regarding paper eligible for rediscount or purchase by Federal Reserve Banks, see Regulations A and B, Series of 1923, Federal Reserve Board.

FEDERAL RESERVE BANK OF NEW YORK

SPECIMEN FORM OF APPLICATION SHOWING DESIRED  
ARRANGEMENT OF DETAILS

NUMBER FROM 1 UP	MAKER		ADDRESS	BUSINESS	EST'D NET WORTH OR RATING (XAgency) (BY -----)	MATURITY	DEPOSITORS OR PURCHASED	RATE OF INTEREST OR DISCOUNT RECEIVED	STATEMENT	AMOUNT
	INDORSERS									
1	C.P. Scudder A.P. Crawford		Blankville " For purchase of feed	Farmer Feed & Grain	N.W. 10,000 50/75 -1½	8/3	D	6	S	\$ 50
2	F.J. Crockett)		West Blankville For purchase of horse	Farmer	N.W. 3,500	8/15	D	6		200
3	W.B. Richter Annie Richter		Blankville " For purchase of materials	Mfr. Baskets Wife	20/35 -2 N.W. 1,000	8/30	D	6	S	1,050
4	General Building Co. Jones Brick Co.		Brooklyn Blankville For purchase of brick	Builders Brick Mfrs.	75/125-1½ 35/50-2	9/18	D	6	S	4,500
5	Western Packing Co.		Chicago	Packers	Over 1,000,000	9/30	P	5½	S	5,000
6	United Woolen Co. A.B. Jones		Boston " Mfrs. Woolens President		500/750-1	10/1	P	6	S	2,500
7	James & Co.		Blankville For purchase of hardware for seasonal requirements	Hardware	10/20-2½	10/10	D	6	S	850
8	Morris Harvey)		Blankville For purchase of cattle. Collateral, C/M on ten head cattle.	Cattle dealer	2/3-3	10/15	D	6		500
9	A. F. Schmidt Co.		Blankville Collateral W/R's for 10,000 lbs. butter.	Butter & Eggs	35/50-1	10/22	D	6	S	1,500
10	Home Furniture Co., Inc. A.S. Cox J.B. Cox Samuel Hood		Blankville " For purchase of lumber and other materials.	Mfrs. President Secretary Physician	75/125-1 N.W. 25,000 N.W. 10,000 N.W. 40,000	10/30	D	6	S	7,500
										\$23,650

PLEASE NOTE SPACE LEFT BETWEEN EACH ITEM



SECURED BY OBLIGATIONS OF THE UNITED STATES GOVERNMENT

To be made in duplicate.

TO THE FEDERAL RESERVE BANK OF NEW YORK,  
Corner Nassau and Pine Streets,  
New York, N. Y.

Dated

192

The Bank of hereby makes application for:—

(a) The *rediscount* of notes secured by bonds, notes, or certificates of indebtedness of the United States Government aggregating \$ \_\_\_\_\_, which are listed in detail in the following schedule:

(b) An advance of \$ \_\_\_\_\_ upon its promissory note for \_\_\_\_\_ days, secured by bonds, notes, or certificates of indebtedness of the United States Government or by our customers notes so secured aggregating \$ \_\_\_\_\_ which are listed in detail in the following schedule:

You are hereby authorized to charge the rediscounts or advance above described to our account with you at maturity.

**Strike out Form  
Not Desired**

NUMBER FROM 1 UP	MAKER	ADDRESS	MATURITY	RATE OF INTEREST OR DISCOUNT RECEIVED	AMOUNT OF NOTE	AMOUNT OF COLLATERAL
	INDORSERS					

**TOTALS**

I, \_\_\_\_\_, Cashier of the \_\_\_\_\_ Bank of \_\_\_\_\_, hereby certify that to the best of my knowledge and belief the original loans which are evidenced by the notes listed in the foregoing schedule, were made for the purpose of carrying or trading in bonds, notes or certificates of indebtedness of the United States Government, and are secured by a pledge of the collateral above described.

On this date the total amount of money borrowed by this bank on bills payable, rediscounts or otherwise,  
is: { Federal Reserve Bank \$  
      { Other Banks

**Strike out this paragraph when advance is secured by government obligation owned by bank.**

Cashier

## RESOLUTION.

WHEREAS this bank has from time to time obtained advances from and rediscounted its commercial paper and bills receivable with the Federal Reserve Bank of New York, and

WHEREAS the said Federal Reserve Bank of New York has required further security for the payment of such advances and discounts and of such other advances and discounts as may hereafter be made by the said Federal reserve bank to and for this bank, and

WHEREAS it is desirable that this bank should comply with such request of the Federal Reserve Bank of New York in this regard,

NOW, THEREFORE, BE IT RESOLVED that the president, any vice president and cashier of this bank are, or either of them is, hereby authorized to execute and deliver in behalf of this bank a general loan and collateral agreement in favor of the Federal Reserve Bank of New York in such form as may be required by the said Federal Reserve Bank of New York.

I, the undersigned, do hereby certify that the foregoing  
is a true and complete copy of a resolution duly adopted by the board of directors  
of the \_\_\_\_\_ held at a duly  
called meeting thereof at which a quorum was present, at the office of the said bank  
on the \_\_\_\_\_ day of \_\_\_\_\_ 19 .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of said bank this \_\_\_\_\_ day of \_\_\_\_\_ 19 .

[SEAL]

.....  
Cashier  
(or)  
Secretary of Board of Directors.



## RESOLUTION.

WHEREAS this bank has from time to time obtained advances from and rediscounted its commercial paper and bills receivable with the Federal Reserve Bank of New York, and

WHEREAS the said Federal Reserve Bank of New York has required further security for the payment of such advances and discounts and of such other advances and discounts as may hereafter be made by the said Federal reserve bank to and for this bank, and

WHEREAS it is desirable that this bank should comply with such request of the Federal Reserve Bank of New York in this regard,

NOW, THEREFORE, BE IT RESOLVED that the president, any vice president and cashier of this bank are, or either of them is, hereby authorized to execute and deliver in behalf of this bank a general loan and collateral agreement in favor of the Federal Reserve Bank of New York in such form as may be required by the said Federal Reserve Bank of New York.

I, the undersigned, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the board of directors of the \_\_\_\_\_ held at a duly called meeting thereof at which a quorum was present, at the office of the said bank on the \_\_\_\_\_ day of \_\_\_\_\_ 19 .

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of said bank this \_\_\_\_\_ day of \_\_\_\_\_ 19 .

[SEAL]

.....  
Cashier  
(or)  
Secretary of Board of Directors.

## GENERAL LOAN AND COLLATERAL AGREEMENT.

**Know All Men by These Presents** that in consideration of advances or rediscounts at this time or heretofore granted to it by the Federal Reserve Bank of New York and/or in consideration of obtaining such further advances, rediscounts, loans or credits as may hereafter be granted to it by the Federal Reserve Bank of New York, the undersigned bank hereby agrees that as collateral security for any and all loans, advances, rediscounts, indebtedness, obligation and liability of the undersigned bank to the said Federal reserve bank, now or hereafter existing, matured or not matured, absolute or contingent, and wherever payable, including such as may arise from indorsements of notes, acceptances or any other items, or paper discounted by said Federal reserve bank or held by said Federal reserve bank as security for any loans or advances of any sort whatever, and including overdrafts and indebtedness by the undersigned bank to said Federal reserve bank on account of collections or paper received for collection, said Federal reserve bank shall hold, retain and have a lien upon all moneys, negotiable instruments, bonds, stocks, commercial paper, credits, choses in action, claims and demands of every kind at any time in possession or control of said Federal reserve bank or any of its agents or correspondents, or in transit to it by mail or carrier, belonging to, for account of or subject to the order of the undersigned bank; and said Federal reserve bank shall have the following rights and powers in respect to such collaterals and every part thereof (in addition to any other rights which it may have): Said Federal reserve bank may at any time or times collect any of such collaterals, and it may indorse any thereof in behalf and in the name of the undersigned; and in case of failure of the undersigned to pay or discharge when due any such loan, indebtedness, obligation or liability, or in case of failure of the undersigned bank to furnish additional collateral as hereinafter provided, or in case of the insolvency, general assignment, receivership, bankruptcy or failure in business of the undersigned bank, said Federal reserve bank may sell without notice any of said collaterals at private or public sale or at broker's board (being at liberty to become the purchaser if the sale is public or at broker's board) and may apply any and all money or credits, including the proceeds of any such sale, and any debts, liabilities or balances, due or not due, in favor of the undersigned bank, arising from deposits, discounts, collections, items in transit, or otherwise, at any time owing or due from or chargeable against said Federal reserve bank, or any of its agents or correspondents, to the payment of expenses of any such sale or sales, or of the realization or collection of any of said collaterals, or of any of said loans, advances, rediscounts, indebtedness, obligation or liability of the undersigned bank, and to the payment of any and all loans, indebtedness, obligation or liability of the undersigned bank, whether due or not due; and any or all loans, indebtedness, obligation or liability of the undersigned bank shall in any of the cases above stated become due at the option of said Federal reserve bank. If the collaterals securing any loans, indebtedness, obligation or liability of the undersigned bank to said Federal reserve bank shall at any time be unsatisfactory in amount or otherwise to said Federal reserve bank, or to any of its officers, the undersigned bank will immediately furnish such further security as will be satisfactory to said Federal reserve bank. Said Federal reserve bank may assign or transfer the whole or any part of any indebtedness, obligation or liability of the undersigned bank, and may transfer therewith as collateral security therefor, the whole or any part of the collaterals above referred to, and the transferee shall have the same rights and powers with reference to the indebtedness, obligation or liability transferred, and the collaterals transferred therewith, as are hereby given to said Federal reserve bank. It is also agreed that this instrument constitutes a continuing agreement between the undersigned bank and the said Federal reserve bank applying to all future, as well as existing, transactions between the said parties and also that the force and effect hereof shall not be terminated by the closing at any time of all transactions between the said parties, but that the same shall apply thereafter to any new transactions and shall continue in full force until notice is received in writing by either party from the other of the intention to terminate it, whereupon, it shall be of no effect for any indebtedness subsequently created.

**In Witness Whereof,** the .....

has caused its corporate seal to be hereto affixed and these presents to be signed by one of its officers thereunto duly authorized at ..... this ..... day of ..... 19....

.....  
 (Name of bank)

By .....  
 (Title)

[SEAL]

# FEDERAL RESERVE BANK OF PHILADELPHIA

925 CHESTNUT STREET

GEORGE W. NORRIS, GOVERNOR  
WILLIAM H. HUTT, DEPUTY GOVERNOR  
WILLIAM A. DYER, CASHIER

ASSISTANT CASHIERS  
C. A. McILHENNY      W. J. DAVIS  
JAMES M. TOY      R. M. MILLER, JR.  
FRANK W. LABOLD      S. R. EARL

# 3  
33243-8  
RICHARD L. AUSTIN  
CHAIRMAN OF THE BOARD AND  
FEDERAL RESERVE AGENT  
HENRY B. THOMPSON  
DEPUTY CHAIRMAN OF THE BOARD

ASSISTANT FEDERAL RESERVE AGENTS  
ARTHUR E. POST  
WALTER T. GROSSCUP

January 20, 1925.

Federal Reserve Bank



Federal Reserve Board,  
Washington, D. C.

Dear Sirs:

Inconformity with your request as  
contained in your telegram of January 20th,  
Trans. #525, we are enclosing two copies  
of Member Bank Collateral Note Form and  
of Application for Rediscount or Advance.

Very truly yours,

*C. A. McIlhenny*  
C. A. McIlhenny,  
Assistant Cashier.

encl.  
CM.Q  
3  $\frac{3}{4}$  (.1)



\$.....

(place)

(date)

.....days after date

(not to exceed 15 days)

the..... (hereinafter referred to as member bank)

promises to pay to the order of the FEDERAL RESERVE BANK OF PHILADELPHIA, at its office in the city of Philadelphia, Pennsylvania,

.....Dollars, for value received, without defalcation, hereby waiving all benefit of any stay of execution, and of any exemption or privilege under any law now or hereafter in force, in any suit on this note. As collateral security said member bank has delivered the bonds and/or notes of the United States Government, having a par or face value of \$.....described below, or on the attached schedule, all of which are owned by said member bank or are used as collateral for this indebtedness with the consent of the owners thereof; or the notes, drafts, bills of exchange, and/or bankers' acceptances amounting to \$.....described on the attached schedule.

Amount	COLLATERAL (if Liberty Bonds, state whether 1st, 2nd, 3rd, etc.)	Interest rate of collateral	Date of issue	Maturity

Said collateral security and any heretofore or which may hereafter be deposited with said Federal Reserve Bank shall be applicable to secure the payment of this or any past or future similar obligation or liability of said member bank to said Federal Reserve Bank, and all securities so deposited and held at any time shall stand as one general continuing collateral security for the whole or any part of said member bank's similar obligations or liability to said Federal Reserve Bank, so that the deficiency on any one shall be made good from the collateral for the rest. Said member bank hereby agrees that if at any time the collateral securities held by said Federal Reserve Bank shall become unsatisfactory to it, said member bank will, within two hours after demand, deposit with said Federal Reserve Bank such additional security as shall be satisfactory, and that in default thereof this note and any other of said member bank's similar obligations held by said Federal Reserve Bank shall become instantly due and payable precisely as though it or they had actually matured. Said member bank hereby authorizes and empowers said Federal Reserve Bank, on default in the payment of this or any other similar obligation or liability of said member bank at maturity or on becoming due as aforesaid, at any time or times, to sell, assign, transfer and deliver the whole or any part of such collateral securities, either at public or private sale, without previous demand upon, or notice to said member bank, with the right of becoming the purchaser and absolute owner thereof, free of all trusts and claims and any equity of redemption, or to surrender and deliver any or all of such collateral securities upon payment at maturity, and after deducting all legal or other costs, and expenses of collection, sale and delivery, and interest, to apply the residue of the proceeds to pay any or all of said obligations or liabilities, returning the overplus, if any, to said member bank, and said member bank will still remain liable for any amount so unpaid with interest thereon. Said member bank further agrees that upon any transfer of this note said Federal Reserve Bank may deliver said collateral or any part thereof to the transferee, which transferee shall thereupon become vested with all the powers and rights hereinabove given to said Federal Reserve Bank in respect of said note and collateral, and said Federal Reserve Bank shall be thereafter forever relieved and fully discharged from any liability or responsibility in connection therewith.

.....  
(name of member bank).....  
(signature of authorized officer).....  
(title).....  
(signature of authorized officer).....  
(title)

#### Information for member banks

Section 13 of the Federal Reserve Act authorizes any Federal reserve bank to make advances to its member banks on their promissory notes for a period not exceeding 15 days, secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of the Federal Reserve Act, or by the deposit or pledge of bonds or notes of the United States. Demand notes, not having a definite maturity, are not eligible. Member bank collateral notes secured by bonds of railroad, public utility, or industrial companies, or municipal warrants, are not eligible.

If any of the collateral described above is excess collateral on account of another loan, the fact that it has been previously deposited should be stated together with the amount and date of maturity of said other loan. If commercial, industrial, or agricultural paper is offered as collateral, the notes must be listed on the regular form of application for rediscount or advance (BD-29). If bankers' acceptances are offered, they must be listed on form BDB. If notes secured by obligations of the Government are offered, they must be listed on the form entitled "Special form of application for rediscount or advance," printed on buff paper.



\$.....

(place)

(date)

.....days after date

(not to exceed 15 days)

the..... (hereinafter referred to as member bank)

promises to pay to the order of the FEDERAL RESERVE BANK OF PHILADELPHIA, at its office in the city of Philadelphia, Pennsylvania,

.....Dollars, for value received, without defalcation, hereby waiving all benefit of any stay of execution, and of any exemption or privilege under any law now or hereafter in force, in any suit on this note. As collateral security said member bank has delivered the bonds and/or notes of the United States Government, having a par or face value of \$.....described below, or on the attached schedule, all of which are owned by said member bank or are used as collateral for this indebtedness with the consent of the owners thereof; or the notes, drafts, bills of exchange, and/or bankers' acceptances amounting to \$.....described on the attached schedule.

Amount	COLLATERAL (if Liberty Bonds, state whether 1st, 2nd, 3rd, etc.)	Interest rate of collateral	Date of issue	Maturity

Said collateral security and any heretofore or which may hereafter be deposited with said Federal Reserve Bank shall be applicable to secure the payment of this or any past or future similar obligation or liability of said member bank to said Federal Reserve Bank, and all securities so deposited and held at any time shall stand as one general continuing collateral security for the whole or any part of said member bank's similar obligations or liability to said Federal Reserve Bank, so that the deficiency on any one shall be made good from the collateral for the rest. Said member bank hereby agrees that if at any time the collateral securities held by said Federal Reserve Bank shall become unsatisfactory to it, said member bank will, within two hours after demand, deposit with said Federal Reserve Bank such additional security as shall be satisfactory, and that in default thereof this note and any other of said member bank's similar obligations held by said Federal Reserve Bank shall become instantly due and payable precisely as though it or they had actually matured. Said member bank hereby authorizes and empowers said Federal Reserve Bank, on default in the payment of this or any other similar obligation or liability of said member bank at maturity or on becoming due as aforesaid, at any time or times, to sell, assign, transfer and deliver the whole or any part of such collateral securities, either at public or private sale, without previous demand upon, or notice to said member bank, with the right of becoming the purchaser and absolute owner thereof, free of all trusts and claims and any equity of redemption, or to surrender and deliver any or all of such collateral securities upon payment at maturity, and after deducting all legal or other costs, and expenses of collection, sale and delivery, and interest, to apply the residue of the proceeds to pay any or all of said obligations or liabilities, returning the overplus, if any, to said member bank, and said member bank will still remain liable for any amount so unpaid with interest thereon. Said member bank further agrees that upon any transfer of this note said Federal Reserve Bank may deliver said collateral or any part thereof to the transferee, which transferee shall thereupon become vested with all the powers and rights hereinabove given to said Federal Reserve Bank in respect of said note and collateral, and said Federal Reserve Bank shall be thereafter forever relieved and fully discharged from any liability or responsibility in connection therewith.

.....  
(name of member bank).....  
(signature of authorized officer).....  
(title).....  
(signature of authorized officer).....  
(title)

#### Information for member banks

Section 13 of the Federal Reserve Act authorizes any Federal reserve bank to make advances to its member banks on their promissory notes for a period not exceeding 15 days, secured by such notes, drafts, bills of exchange, or bankers' acceptances as are eligible for rediscount or for purchase by Federal reserve banks under the provisions of the Federal Reserve Act, or by the deposit or pledge of bonds or notes of the United States. Demand notes, not having a definite maturity, are not eligible. Member bank collateral notes secured by bonds of railroad, public utility, or industrial companies, or municipal warrants, are not eligible.

If any of the collateral described above is excess collateral on account of another loan, the fact that it has been previously deposited should be stated together with the amount and date of maturity of said other loan. If commercial, industrial, or agricultural paper is offered as collateral, the notes must be listed on the regular form of application for rediscount or advance (BD-29). If bankers' acceptances are offered, they must be listed on form BDB. If notes secured by obligations of the Government are offered, they must be listed on the form entitled "Special form of application for rediscount or advance," printed on buff paper.

Date .....

The ..... Bank of .....  
 submits herewith the items listed below: ..... Company

- (a) For rediscount, amounting to \$.....; or
- (b) As collateral for an advance of \$..... upon its promissory note.

You are hereby authorized to charge the rediscounts or advance above described to our account with you, at maturity.

Purchased paper must be indicated by the letter "P."

Depositor's paper must be indicated by the letter "D," which should appear on the line with the name of the discounter.

Indicate your own estimate of the net worth by placing the letters "N. W." before your figures. Insert the name of the agency if ratings are given. Please give careful attention to regulation regarding borrower's statements, on other side.

TOTAL

I certify that, to the best of my knowledge and belief, the original loans which are evidenced by the items listed above were made for agricultural, industrial, or commercial purposes, and that they are eligible for rediscount under the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board.

It is hereby certified that in offering the notes, drafts and bills of exchange scheduled in this application for rediscount to the Federal Reserve Bank of Philadelphia, the undersigned has complied with the provisions of the Act of Congress approved July 1, 1922, by restricting the amount loaned to any of the borrowers mentioned herein as therein provided, and that it will continue to restrict the amount loaned to said borrowers in accordance with the provisions of said act so long as the obligations of said borrowers are under discount with the Federal Reserve Bank of Philadelphia.

On this date, the paid-in capital of this institution amounted to \$.....; the surplus, \$.....

total deposits, \$.....  
Total amount of money borrowed on *Bills payable* with you, \$..... *Rediscounts* with you \$.....

with others, \$..... with others, \$.....

Bank  
..Company

(Place)

(Signatures and titles of officers designated in authorizing resolution, Form BD-1.)

(SEE OTHER SIDE)



# PLEASE NOTE CAREFULLY

## AUTHORIZING RESOLUTION

A certified copy of "Authority to Rediscount" (Form BD-1) must be on file with the Federal Reserve Bank.

## ENDORSEMENTS

Notes, drafts and bills of exchange submitted for rediscount should be indorsed in the following form: **FIRST NATIONAL BANK, BLANKVILLE, PA.**

(Written signature and official title)

Each indorsement of a member bank should be signed by an officer whose signature and authority to endorse have been filed with the Federal Reserve Bank.

## STATEMENTS

Member banks must have in their files copies of financial statements with respect to all notes offered for rediscount which have been purchased from sources other than a depositor or a member bank. If statements are not on file, the paper is not eligible for rediscount. *Purchased paper should be indicated on the application for rediscounts by the letter "P" placed after the amount.*

With respect to any other note offered for rediscount, member banks should have on file a financial statement if the aggregate of obligations of the borrower rediscounted and offered for rediscount at the Federal Reserve Bank is equal to or more than \$5,000, or 10 per cent of the paid-in capital of the member bank, unless it is secured by a warehouse, terminal, or other similar receipt covering goods in storage.

However, the Federal Reserve Bank may require information as to the assets and liabilities of any maker or endorser whose paper is presented, and in all cases prompt action on applications is facilitated by furnishing such information, drawn from signed statements where statements are on file with the member bank, or otherwise from the bank's own knowledge. Forms for furnishing such information will be supplied upon request.

## MATURITIES

A promissory note of a member bank must have a maturity not exceeding 15 days from the date of discount. Industrial and commercial paper must have a maturity not exceeding 90 days from the date of rediscount, or from the date of advance if used as collateral. Agricultural or live stock paper must have a maturity not exceeding 9 months from the date of rediscount, or from the date of advance if used as collateral.

## CHARACTER OF PAPER ELIGIBLE

In order to be available for rediscount, the paper must have been issued or drawn for current commercial or industrial transactions, or agricultural or live stock operations. A statement showing the borrower to have a reasonable excess of quick assets over current liabilities may be accepted as evidence that the paper represents a current transaction. The proceeds must have been or are to be used in producing purchasing, carrying, or marketing goods in one or more of the steps of the process of production, manufacture, or distribution. A judgment note is eligible provided it contains a clause authorizing a confession of judgment only if not paid at maturity. If it authorizes a confession of judgment at any time before maturity, it is not negotiable and therefore not eligible for rediscount.

## PAPER NOT ELIGIBLE

No paper is eligible which has been issued or drawn for carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States, or the proceeds of which have been or are to be used for permanent or fixed investments of any kind, such as land, buildings, or machinery. A demand note is not eligible, as it does not have a definite maturity.

For further information regarding rediscounts, communicate with the Federal Reserve Bank.

## SPECIMEN FORM OF APPLICATION SHOWING DESIRED ARRANGEMENT OF DETAILS

LIST NOTES IN THE ORDER OF THEIR MATURITY. LEAVE DOUBLE SPACE BETWEEN EACH NOTE				ESTIMATED NET WORTH OR RATING	DEPOSITORS OR PURCHASED	HAVE YOU RECENT STATEMENT ON FILE	RATE AT WHICH DISCOUNTED OR PURCHASED	DUE	AMOUNT
MAKER	ADDRESS	BUSINESS	PLACE PAYABLE						
INDORSERS									
C. P. Scudder A. P. Crawford	Blankville "	Farmer Feed & Grain	Phila.	N.W. 10,000 50/75-1½ (Dun's)	D	yes	6	2-3-18	6,000
Western Packing Co.	Chicago	Packers	New York	over 1,000,000	P	yes	6½	3-11-18	10,000
Home Furniture Co. A. S. Cox Samuel Hood	Blankville " "	Mfrs. Builder Hardware	Phila.	N.W. 75,000 N.W. 25,000 N.W. 40,000	D	yes	5	3-23-18	7,500
TOTAL									23,500

(SEE OTHER SIDE)

## APPLICATION FOR REDISCOUNT OR ADVANCE

Federal Reserve Bank of Philadelphia:

Date .....

The ..... Bank of .....  
 submits herewith the items listed below: ..... Company

(a) For rediscount, amounting to \$.....; or

(b) As collateral for an advance of \$..... upon its promissory note.

You are hereby authorized to charge the rediscounts or advance above described to our account with you, at maturity.

Purchased paper must be indicated by the letter "P."

Depositor's paper must be indicated by the letter "D," which should appear on the line with the name of the discounter.

Indicate your own estimate of the net worth by placing the letters "N. W." before your figures. Insert the name of the agency if ratings are given.

Please give careful attention to regulation regarding borrower's statements, on other side.

LIST NOTES IN THE ORDER OF THEIR MATURITY.  
LEAVE DOUBLE SPACE AFTER EACH NOTE

MAKER

ADDRESS

BUSINESS

PLACE  
PAYABLEESTIMATED  
NET WORTH  
OR RATINGDEPOSITORS  
OR PURCHASEDHAVE YOU RECENT  
STATEMENT  
ON FILERATE AT WHICH  
DISCOUNTED OR  
PURCHASED

DUE

AMOUNT

INDORSERS

TOTAL

I certify that, to the best of my knowledge and belief, the original loans which are evidenced by the items listed above were made for agricultural, industrial, or commercial purposes, and that they are eligible for rediscount under the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board.

It is hereby certified that in offering the notes, drafts and bills of exchange scheduled in this application for rediscount to the Federal Reserve Bank of Philadelphia, the undersigned has complied with the provisions of the Act of Congress approved July 1, 1922, by restricting the amount loaned to any of the borrowers mentioned herein as therein provided, and that it will continue to restrict the amount loaned to said borrowers in accordance with the provisions of said act so long as the obligations of said borrowers are under discount with the Federal Reserve Bank of Philadelphia.

On this date, the paid-in capital of this institution amounted to \$.....; the surplus, \$.....

total deposits, \$.....

Total amount of money borrowed on *Bills payable* with you, \$..... *Rediscounts* with you \$.....

with others, \$.....

with others, \$.....

Bank  
Company

(Place)

(Signatures and titles of officers designated in authorizing resolution, Form BD-1.)

(SEE OTHER SIDE)



# PLEASE NOTE CAREFULLY

## AUTHORIZING RESOLUTION

A certified copy of "Authority to Rediscount" (Form BD-1) must be on file with the Federal Reserve Bank.

## ENDORSEMENTS

Notes, drafts and bills of exchange submitted for rediscount should be indorsed in the following form: FIRST NATIONAL BANK, BLANKVILLE, PA.

(Written signature and official title)

Each indorsement of a member bank should be signed by an officer whose signature and authority to endorse have been filed with the Federal Reserve Bank.

## STATEMENTS

Member banks must have in their files copies of financial statements with respect to all notes offered for rediscount which have been purchased from sources other than a depositor or a member bank. If statements are not on file, the paper is not eligible for rediscount. Purchased paper should be indicated on the application for rediscounts by the letter "P" placed after the amount.

With respect to any other note offered for rediscount, member banks should have on file a financial statement if the aggregate of obligations of the borrower rediscounted and offered for rediscount at the Federal Reserve Bank is equal to or more than \$5,000, or 10 per cent of the paid-in capital of the member bank, unless it is secured by a warehouse, terminal, or other similar receipt covering goods in storage.

However, the Federal Reserve Bank may require information as to the assets and liabilities of any maker or endorser whose paper is presented, and in all cases prompt action on applications is facilitated by furnishing such information, drawn from signed statements where statements are on file with the member bank, or otherwise from the bank's own knowledge. Forms for furnishing such information will be supplied upon request.

## MATURITIES

A promissory note of a member bank must have a maturity not exceeding 15 days from the date of discount. Industrial and commercial paper must have a maturity not exceeding 90 days from the date of rediscount, or from the date of advance if used as collateral. Agricultural or live stock paper must have a maturity not exceeding 9 months from the date of rediscount, or from the date of advance if used as collateral.

## CHARACTER OF PAPER ELIGIBLE

In order to be available for rediscount, the paper must have been issued or drawn for current commercial or industrial transactions, or agricultural or live stock operations. A statement showing the borrower to have a reasonable excess of quick assets over current liabilities may be accepted as evidence that the paper represents a current transaction. The proceeds must have been or are to be used in producing purchasing, carrying, or marketing goods in one or more of the steps of the process of production, manufacture, or distribution. A judgment note is eligible provided it contains a clause authorizing a confession of judgment only if not paid at maturity. If it authorizes a confession of judgment at any time before maturity, it is not negotiable and therefore not eligible for rediscount.

## PAPER NOT ELIGIBLE

No paper is eligible which has been issued or drawn for carrying or trading in stocks, bonds, or other investment securities, except bonds and notes of the Government of the United States, or the proceeds of which have been or are to be used for permanent or fixed investments of any kind, such as land, buildings, or machinery. A demand note is not eligible, as it does not have a definite maturity.

For further information regarding rediscounts, communicate with the Federal Reserve Bank.

## SPECIMEN FORM OF APPLICATION SHOWING DESIRED ARRANGEMENT OF DETAILS

LIST NOTES IN THE ORDER OF THEIR MATURITY. LEAVE DOUBLE SPACE BETWEEN EACH NOTE				PLACE PAYABLE	ESTIMATED NET WORTH OR RATING	DEPOSITORS OR PURCHASED	HAVE YOU RECENT STATEMENT ON FILE	RATE AT WHICH DISCOUNTED OR PURCHASED	DUE	AMOUNT
MAKER	INDORSERS	ADDRESS	BUSINESS							
C. P. Scudder A. P. Crawford		Blankville "	Farmer Feed & Grain	Phila.	N.W. 10,000 50/75-1½ (Dun's)	D	yes	6	2-3-18	6,000
Western Packing Co.		Chicago	Packers	New York	over 1,000,000	P	yes	6½	3-11-18	10,000
Home Furniture Co. A. S. Cox Samuel Hood		Blankville " "	Mfrs. Builder Hardware	Phila.	N.W. 75,000 N.W. 25,000 N.W. 40,000	D	yes	5	3-23-18	7,500
TOTAL										23,500

FEDERAL RESERVE BANK  
OF CLEVELAND

#4  
332-3-8

SUBJECT: Collateral note and collateral agreement forms.

January 20, 1925.

Mr. J. C. Noell, Assistant Secretary,  
Federal Reserve Board,  
Washington, D. C.

Dear Mr. Noell:

1/20/25  
Your wire was received this afternoon and I am glad to send you herewith in compliance with your request two specimen copies each of the collateral note from used by our member banks in obtaining direct advances from us and the general agreement for deposit of collateral. The latter form is accompanied in each case by the Resolution authorizing the pledge of general collateral.

I might add that the agreement for deposit of general collateral is very seldom used in this district - in fact, we have only one of these agreements in effect at this time.

Very truly yours,

Z.C.  
Enc.

*J. H. Burlingame*  
Deputy Governor.

Federal Reserve Board



\$....., 19.....

.....days after date, for value received, the undersigned bank promises  
(NOT TO EXCEED 15 DAYS)  
to pay to the order of

FEDERAL RESERVE BANK OF CLEVELAND,  
AT THE OFFICE THEREOF IN CLEVELAND, OHIO

..... DOLLARS,

with interest from and after maturity at the rate of six per cent. per annum; having deposited with and pledged to said Federal Reserve Bank, hereinafter called the reserve bank, as collateral security for the payment of this and/or any other liability or liabilities, direct or contingent, of the undersigned bank to the reserve bank, due or to become due or that may be hereafter contracted, notes, drafts, bills of exchange and/or bankers' acceptances and/or obligations of the United States as described in the schedule of collateral hereto attached and made a part hereof.

The reserve bank is also given a lien, for the payment of this note and/or any other of the said liabilities, upon all the property pledged by the undersigned to the reserve bank and also upon any balance of the deposit account of the undersigned with the reserve bank; and is hereby authorized at any time to apply said balance to the payment of any obligations or part thereof of the undersigned to the reserve bank. It is further agreed by the undersigned bank that the reserve bank has the right at any time to require such additional security as it may deem proper, and on failure to respond forthwith to such requirement, or on the non-payment of this note or any other liability or liabilities of the undersigned as above set forth, the reserve bank or any holder hereof is hereby given full authority to sell, assign, deliver or collect the whole or any part of the above named collaterals or any substitutes therefor or any additions thereto, at any public or private sale or on any brokers' board or stock exchange, at any time or times hereafter, without demand, advertisement or notice; and upon such sale the reserve bank or the holder hereof may become the purchaser of the whole or any part of such collaterals, free from any right of redemption, and, after deducting all legal and/or other costs and expenses for collection, sale and delivery, may apply the residue of the proceeds of such collections, sale or sales to the payment of any, either or all of the said liabilities, as the reserve bank, or its assigns, shall deem proper, returning the overplus to the undersigned bank.

It is hereby agreed by the undersigned that in the event of its insolvency or bankruptcy or the appointment of a receiver for it, this note and all the said liabilities and each of them shall, at the option of the reserve bank, become immediately due and payable without demand or notice.

TO BE FILLED IN BY FEDERAL RESERVE BANK			
NEW	DUE DATE	RATE	DAYS
RENEWAL			
COLLATERAL VERIFIED		DISCOUNT	
SIGNATURE VERIFIED		PROCEEDS	
APPROVED		NUMBER	

.....

of.....State of.....

By .....

.....



## PLEDGED TO

**SIGNED  
STATEMENT ON  
FILE? - IF SO,  
(DATE)**

The undersigned member bank hereby certifies that to the best of its knowledge and belief, the loans which are evidenced by the above notes, drafts, and bills of exchange were made and are in conformity with the provisions of the Federal Reserve Act and the regulations of the Federal Reserve Board defining the character of notes, drafts, and bills of exchange eligible for rediscount with or purchase by a Federal Reserve Bank.

Signature \_\_\_\_\_

By \_\_\_\_\_



# RESOLUTION

WHEREAS, this bank has from time to time obtained advances from and rediscounted its commercial paper and bills receivable with the Federal Reserve Bank of Cleveland, and contemplates continuing such practice, and

WHEREAS, the said Federal Reserve Bank of Cleveland has required further security for the payment of such advances and rediscounts and of such other advances and rediscounts and other forms of indebtedness as may hereafter be made by or incurred to the said Federal Reserve Bank to, for and by this bank, and

WHEREAS, it is desirable that this bank should comply with said request of the Federal Reserve Bank of Cleveland in this regard,

NOW, THEREFORE, be it resolved that the president, any vice president, and cashier of this bank, or any of them, is hereby authorized to execute and deliver in behalf of this bank a general loan and collateral agreement in favor of the Federal Reserve Bank of Cleveland in such form as may be required by the said Federal Reserve Bank of Cleveland, and to deposit with said the Federal Reserve Bank of Cleveland such collateral as may from time to time be required by said Federal Reserve Bank of Cleveland.

I, the undersigned, do hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the board of directors of the \_\_\_\_\_ held at a duly called meeting thereof at which a quorum was present, at the office of the said bank on the \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the corporate seal of said bank at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_.

(SEAL)

\_\_\_\_\_  
Cashier  
(or)  
Secretary of Board of Directors.

## Agreement for Deposit of Collateral.

WHEREAS, the undersigned bank is a member of the Federal Reserve Bank of Cleveland,  
and

WHEREAS, the undersigned bank is or may be liable to said Federal Reserve Bank of Cleveland by way of endorsement of notes, drafts, bills of exchange and other commercial paper, and is or may become otherwise indebted to said Federal Reserve Bank of Cleveland, and

WHEREAS, it is to the interest of the undersigned bank, as well as of the Federal Reserve Bank of Cleveland, that said Federal Reserve Bank of Cleveland should be fully secured and indemnified for each and every obligation of the undersigned bank, due or to become due to said Federal Reserve Bank of Cleveland:

NOW, THEREFORE, THIS INSTRUMENT WITNESSETH: That the undersigned bank has deposited with said Federal Reserve Bank of Cleveland, as collateral security for the payment of every liability, or liabilities, either direct or contingent, now owing or which may hereafter be owing, whether now or hereafter contracted, of the undersigned to said Federal Reserve Bank of Cleveland, the following described property, to-wit:

with the right on the part of said Federal Reserve Bank of Cleveland to call for additional security of such kind and value as will be satisfactory to said bank, and, on failure to respond, or, if in the judgment of said bank, said security or any additions thereto or substitutes therefor, or any part thereof, shall have depreciated in value, then the whole of every obligation of the undersigned to said bank shall be deemed immediately payable, at the election of said bank, with full power in said bank, on the maturity of said indebtedness, either by its terms or by election as aforesaid, to at any time sell, and from time to time sell, assign and deliver the whole of said property and all additions thereto, and substitutes therefor, or any part of said property, additions and substitutes, at any public or private sale, at the option of said bank, and without advertising the same, and without notice to the undersigned, and with the right of said bank to be a purchaser at any such sale, or sales, and in the event of any sale or purchase hereunder, no matter by or to whom made, all notice thereof and any and all equity or right or redemption, whether before or after the sale hereunder, is hereby expressly waived; and, after deducting all legal and other costs and expenses, including reasonable attorneys' fees, from the proceeds of such sale or sales, to apply the remainder on any one or more of the liabilities of the undersigned, whether due or not, as said bank shall deem proper (making rebate of interest on any demands not matured) and return the surplus, if any, to the undersigned. Said bank may, at its discretion, enforce the collection of said security, additions thereto and substitutes therefor, by suit or otherwise, and may surrender, compromise, release, renew, extend or exchange all or any of the same. Said bank is hereby authorized and empowered at any time to apply to the payment of any liability, or liabilities, whether the same be due or not, of the undersigned bank, to said bank, all property, real, personal or mixed, of every kind or description, including balances, credits, collections, moneys, drafts, checks, notes, bills or accounts (whether on hand or in transit) of the undersigned.

Dated at \_\_\_\_\_, 19\_\_\_\_.

By \_\_\_\_\_

President  
Vice-President  
Cashier

(SEAL)

FEDERAL RESERVE BANK  
OF RICHMOND

January 20, 1925.

# 5

3323-8

The Federal Reserve Board,  
Washington, D. C.

Gentlemen:-

Attention - Mr. J. C. Noell

In accordance with Governor Seay's telegram  
and complying with the request contained in your wire  
( Trans. No. 525), we enclose two copies of our form  
BD-35 for a member bank's collateral note, which con-  
tains the pledge agreement.

1/20/25

Very truly yours,

GSS/NM.

*George S. Sloan*  
George S. Sloan,  
Assistant Cashier.

Federal Reserve Bank





MEMBER BANKS COLLATERAL NOTE

NOT TO EXCEED 15 DAYS.

\$.....

(Place) ..... 192  
(Date)

.....days after date, for value received, the undersigned bank promises to pay to the order of the  
FEDERAL RESERVE BANK OF RICHMOND, at its OFFICE in the CITY OF RICHMOND, VA.

..... DOLLARS,  
having deposited with and pledged to the said Federal Reserve Bank, as collateral security for the  
payment of this and any other liability or liabilities, whether direct or contingent, of the under-  
signed bank to the said Federal Reserve Bank, due or to become due, or that may be hereafter  
contracted, the following securities:

(State both AMOUNT and ISSUE)

Customers' notes for \$.....as per application for loan dated.....

The said Federal Reserve Bank is also given a lien for the payment of this note and any other of the said  
liabilities upon all the property or securities now or hereafter left in the possession of the said Federal Reserve  
Bank by the undersigned Bank, and also upon any balance of the deposit account of the undersigned bank  
with the said Federal Reserve Bank, and it is hereby agreed by the undersigned bank that the said Federal Reserve  
Bank has the right to require such additional security as it may deem proper, and, on failure to respond forth-  
with to such requirement or on the non-payment of this note or on the non-payment of any other liability or  
liabilities of the undersigned bank, as above set forth, the said Federal Reserve Bank, or any holder hereof, is  
hereby given full authority to sell, assign and deliver, or collect, the whole or any part of the above-named col-  
laterals, or any substitute therefor, or any addition thereto, at any public or private sale, or on any broker's  
board or stock exchange, at any time or times hereafter, without demand, advertisement or notice; and upon  
such sale, the said Federal Reserve Bank or the holder hereof may become the purchaser of the whole or  
any part of such collaterals, free from any right of redemption, and after deducting all legal or other costs  
and expenses for collection, sale and delivery, may apply the residue of the proceeds of such collection, sale or  
sales to the payment of any, either or all of the said liabilities, as the said Federal Reserve Bank, or its assigns,  
shall deem proper, returning the overplus to the undersigned bank.

(Name of Bank)

Address .....

[Do not detach]

By .....

THIS LETTER FORM TO BE USED ONLY WHEN OFFERING A MEMBER BANK'S NOTE  
SECURED BY GOVERNMENT OBLIGATIONS

Date.....

FEDERAL RESERVE BANK OF RICHMOND, RICHMOND, VA.

Gentlemen:

We offer for discount, our.....day note for \$....., maturing ★.....  
and secured by the following collateral.

(To AVOID CORRESPONDENCE and to PREVENT DELAY in placing note to your credit,  
it will be necessary for you to indicate on form below (1) the amount of collateral, (2) the issue  
of Bonds pledged—if certificates give series or date and maturity, and (3) where the collateral  
may be located.)

(State both AMOUNT and ISSUE)

COLLATERAL ABOVE CAN BE LOCATED BY YOUR DISCOUNT DEPT. AS FOLLOWS:

(Use X mark to indicate where held, OR STATE IN BLANK SPACE BELOW.)

Enclosed herewith.

Sent under separate cover.

Released from War Loan Account by separate letter.

Previously pledged on note \$....., due.....

Held by Federal Reserve Bank for safe keeping, but not pledged.

(Name of Bank)

Address .....

By .....

★ Unless otherwise and especially instructed Member Banks Collateral Notes maturing on  
Saturday will be charged to the Member Banks' account on Monday.

When offering your bank's note, secured by your customers' notes, whether commercial, agricultural or secured by Liberty Loan  
Bonds, the attached form of Note should be used, but this letter form should not be used. Regular Re-Discount Application Sheet should  
be used instead.

# FEDERAL RESERVE BANK

## OF ATLANTA

OFFICE OF  
GOVERNOR

January 20, 1925.



Mr. J. C. Noell, Assistant Secretary,  
Federal Reserve Board,  
Washington, D. C.

Dear Mr. Noell:-

As requested in your wire of even date, we are enclosing two copies each of our member bank collateral note form, application covering pledge of additional collateral, and application covering discount or rediscount.

If there is any other information we can give you regarding these, or other of our forms, please feel free to call on us.

Yours very truly,

*M. B. Wellborn*  
-w.

VKB:E  
Encls.

M. B. Wellborn,  
Governor.

*100 Comm 1/16/25*

*332.3-8*

*100 Comm 1/16/25*

after date, for value received.

to pay to the order of the **FEDERAL RESERVE BANK OF ATLANTA** at the office of the  
**FEDERAL RESERVE BANK**, in the City of Atlanta, Ga., the sum of .....  
 ..... DOLLARS

with interest from maturity until paid at the rate of ..... per cent. per annum, together with all costs of collection,  
 including ..... per cent. of the principle and interest hereof as attorney's fees; having deposited herewith as  
 general collateral security for the payment of this note and any and all other liability direct or indirect, joint or several, of the  
 undersigned to the payee of holder hereof, already existing or which may hereafter arise, and whether due or not due the fol-  
 lowing property, viz:

and do hereby give the holder hereof a lien for this note and all said demands upon all property left with said holder and upon any balance of deposit  
 account of the undersigned with said holder, with authority to at any time change any or all of said demands against the deposit account on the books  
 of the holder hereof if there be such an account, but a failure to apply any balance of said deposit account on this note or a surrender or release of  
 any of said property on which a lien is created hereby, except that specifically described above, shall not affect the liability of any endorser, guarantor,  
 surety, or other party to this note or release or relieve them or any of them from liability to pay the full amount of this note; and do hereby au-  
 thorize and empower the holder hereof, or any officer, agent or attorney of the holder, on the non-payment of this note or any other such liability, to  
 sell and transfer said property and collaterals, or any property added to or substituted for the same, or any part thereof at any broker's board, or at  
 public or private sale, and without notice of intention to sell, or of the time or place of sale, and without demand of payment of this note or of any such  
 other liabilities. Should the market value of the collaterals hereby or hereafter pledged depreciate in the judgment of the holder of this note, the undersigned  
 hereby agree ..... to deposit on demand a further amount of collateral security satisfactory to the holder hereof, so that the market value shall always

be at least ..... per cent. more than the amount of this note; and upon failure to comply with any such demand, this note shall, at the option  
 of the holder, become due and payable forthwith, without notice, and the whole or any part or parts of said collateral securities or substitutes therefor  
 and additions thereto may be sold as herein provided, at the option of the holder hereof. After deducting the cost and expenses of collection and sale,  
 including attorney's fees, the residue of the proceeds of any sale, collection or other disposition of any of the securities or property aforesaid may be  
 applied to the payment in whole or in part of any then existing liability of the undersigned to the holder hereof, due or not due, including this note,  
 deducting unearned interest upon demands not due; and in case of deficiency the undersigned agrees to pay to the holder hereof the amount thereof  
 forthwith, after such sale or other disposition, with legal interest.

It is also agreed and understood that upon any sale of any of said collaterals the holder hereof, or any one in its or his behalf, may become the  
 purchaser thereof, and hold the same thereafter in his or its own right absolutely free from any claim of the undersigned, and no other purchaser shall  
 be answerable for the application of the proceeds of any sale.

Upon the transfer of this note the payee may deliver the collaterals or any part thereof to the transferee, who shall become vested with all powers  
 and rights of the payee in respect thereto.

The undersigned, as well as all sureties, endorsers, guarantors or other parties to this note, severally waive, each for himself and family, any and  
 all homestead and exemption rights which any of them or the family of any of them, may have under or by virtue of the Constitution or laws of the  
 United States, or of any state as against this debt or any of said liabilities or any renewal thereof; and each further waives demand, protest and notice  
 of demand, protest and non-payment.

Given under the hand and seal of each party.

DUE.....

(SEAL)

(SEAL)

(SEAL)



TO FEDERAL RESERVE BANK OF ATLANTA:

From ..... of .....

Listed below aggregating \$.....

The undersigned bank transmits herewith the notes, bills and other securities listed below, and pledges the same to Federal Reserve Bank of Atlanta as collateral security, upon the terms and conditions, and for the purposes, fully set forth upon the back hereof, said terms and conditions being incorporated in this instrument to the same extent as if fully copied herein above the signature of the undersigned.

NAME OF BANK

LOCATION

PRES.-CASHIER

The written and printed matter appearing on the other side hereof, and the following terms, conditions, provisions and stipulations, constitute the agreement between the parties touching the deposit as collateral of the securities listed on the other side, and any other securities which may be deposited hereunder, as more fully set out below.

The term "member bank," whenever herein used, designates the bank signing this agreement on the other side hereof, and the term "Reserve Bank" designates Federal Reserve Bank of Atlanta.

In consideration of loans and advances heretofore made by the Reserve Bank to the member bank, and of one dollar (\$1.00) in hand paid by the Reserve Bank at and before the sealing and delivery of these presents, and for other valuable considerations hereunto moving the said member bank, the receipt of which is hereby acknowledged, and in order to secure said Reserve Bank as hereinafter more particularly stated, the member bank has transferred, conveyed, hypothecated, and pledged, and does hereby transfer, convey, hypothecate, and pledge, to said Reserve Bank, as additional collateral, certain notes, bills receivable, and other securities and things of value, as more particularly mentioned and described in the list shown on the other side hereof.

Said securities have been duly endorsed by the said member bank, and are pledged and hypothecated for the purpose of securing the Reserve Bank as against any loss on account of, or arising from, any indebtedness or liability in favor of the Reserve Bank, heretofore made or incurred, or which may hereafter be made or incurred by said member bank upon the rediscount of bills and notes, upon the direct obligations of said member bank, or otherwise arising.

Upon the incurring of any future liability or indebtedness the security of said collateral shall forthwith attach thereto without any further or other writing or agreement in the premises, and said collateral shall stand for the security of the Reserve Bank until released in whole or in part by the Reserve Bank, or until the member bank shall satisfy and discharge all of its obligations, direct or contingent, to the Reserve Bank.

Any securities taken in renewal of, or in substitution for, any of said collaterals, and other securities or collateral which the member bank may place with the Reserve Bank, as additional collateral, shall forthwith and without further or other writing, be and become collateral security in the hands of the Reserve Bank to the same extent and in the same manner as if mentioned and listed particularly and specifically herein.

Upon any default on the part of the member bank in the carrying out of any promise, agreement, contract or undertaking for the performance of which the said collateral, or any part thereof, shall at any time stand pledged, the Reserve Bank may sell said collateral, or any part thereof, or any collateral substituted for, or added to, the securities set out on the said list, or mentioned or referred to herein, with or without notice and at either public or private sale or otherwise, at the option of the Reserve Bank or any successor in interest. From the gross proceeds of any such sale or sales the Reserve Bank may pay and discharge all expenses arising from or connected therewith, including attorney's fees. The net proceeds of any such sale or sales shall be applied by the Reserve Bank in or toward the payment and satisfaction of the indebtedness of the member bank, and the Reserve Bank shall have the right to select the item or items of indebtedness, direct or contingent, which are to be satisfied therefrom, the member bank remaining liable for any indebtedness or liability not so discharged and the Reserve Bank accounting to the member bank for the surplus, if any.

At any such sale or sales the Reserve Bank, or any agent or attorney in its behalf, may bid on said collateral, or any part thereof, and purchase the same for its own account and without any accountability to the member bank except for the application of the net proceeds as hereinbefore set out.

Any right or remedy herein granted or given shall be cumulative to any other right or remedy which may be availed of at law or in equity.



# Application for Discount or Rediscount

192

FEDERAL RESERVE BANK OF ATLANTA:

from \_\_\_\_\_ of \_\_\_\_\_

Rediscount of paper listed below aggregating \$ \_\_\_\_\_  
OR \_\_\_\_\_

Discount of our note \$ \_\_\_\_\_, maturing \_\_\_\_\_ secured  
by collateral listed below.

Separate applications,  
in duplicate should  
accompany

Rediscount offerings.  
Member bank direct notes secured by U. S. Security, War  
Finance Corporation securities, or eligible bills receivable.  
Bills offered to us for purchase.  
Bill of Lading Drafts.

Retain third copy of application for your files.

To avoid delay in consideration of offerings,  
full information should be given as called  
for by the column headings and printed mat-  
ter above each line.  
Bills offered for rediscount or as collateral  
to direct notes of member banks, otherwise  
eligible, should have a maturity not exceed-  
ing ninety days if commercial or industrial  
paper, and not more than nine months if  
agricultural or live stock paper.

NAME	ADDRESS	1. Occupation of Maker. 2. Purpose for which Proceeds were used by Maker. (See Code No. 1 below.)	Rate Chd. M'r	For whom Discounted (See Code No. 2 below)	Have you State- ment on File	Estimate of Present Net Worth	Present indebt., including paper offered. (See Schedule No. 3 below)	Maturity	AMOUNT
Payer 1							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 2							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 3							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 4							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 5							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 6							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 7							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		
Payer 8							J		
Endorser or Collateral							K		
Drawer							L		
							J		
							K		
							L		

CODE No. 1—Purpose for which proceeds were used by Maker:  
(Use one of the following letters in Column 3  
to designate).

- A. Agricultural—other than fixed investment.
- B. Industrial—other than fixed investment.
- C. Commercial—other than fixed investment.
- D. Carrying investment in United States Bonds.

CODE No. 2

- E. Discounted for depositor other than a bank.
- F. Discounted for non-depositor other than a bank.
- G. Discounted for a member bank.
- H. Discounted for a non-member bank.

CODE No. 3—Present Indebtedness of Payer, Endorser or  
Maker (Show amount after proper letter in  
Column 7 as per following code).

- J. Unsecured or secured other than by readily marketable staples or U. S. Government Obligations.
- K. Secured by readily marketable staples in accordance with section 5200 U. S. R. S. as amended.
- L. Secured by U. S. Government War Obligations.

## TO BE FILLED IN BY NATIONAL BANKS

Bills payable and rediscounts with banks other than the  
Federal Reserve Bank of Atlanta \$ \_\_\_\_\_  
Due to War Finance Corporation \$ \_\_\_\_\_  
Certificates of Deposit representing money borrowed \$ \_\_\_\_\_  
Borrowed United States Bonds \$ \_\_\_\_\_

I hereby certify that, to the best of my knowledge and belief, the proceeds  
of the above listed items are to be, or have been, used for agricultural, indus-  
trial or commercial purposes, or were made for the purpose of carrying the  
maker's investment in the United States Bonds pledged as collateral.

President  
Cashier.

## TO BE FILLED IN BY STATE BANK MEMBERS

Bills payable and rediscounts with banks other than the  
Federal Reserve Bank of Atlanta \$ \_\_\_\_\_  
Due to War Finance Corporation \$ \_\_\_\_\_  
Certificates of Deposit representing money borrowed \$ \_\_\_\_\_  
Borrowed United States Bonds \$ \_\_\_\_\_

I hereby certify that, to the best of my knowledge and belief, the proceeds  
of the above listed items are to be, or have been, used for agricultural, indus-  
trial or commercial purposes, or were made for the purpose of carrying the  
maker's investment in the United States Bonds pledged as collateral.

I hereby also certify that the amounts shown opposite the name of each  
borrower listed on this application as being loaned to him at this time are cor-  
rect, and that no one or more of said borrowers will, while his or their bills  
in any amount are under rediscount with the Federal Reserve Bank of Atlanta,  
be permitted to become liable to this bank for money borrowed in an aggregate  
amount exceeding that which could be loaned by this bank if it were operating  
as a national bank.

President  
Cashier.



Atlanta, Ga.,

TO THE MEMBER BANK ADDRESSED:

In accordance with the Regulations of Federal Reserve Board, Series of 1924, a copy of which was mailed to each member bank, the Federal Reserve Bank of Atlanta will require for its files current financial statements or certified copies of current financial statements, (not more than one year old) of all borrowers whose bills amounting to \$5,000, or more, are offered for rediscount, or are already under rediscount, and the discounting bank is required to furnish such statements.

Whenever the borrower has closely affiliated or subsidiary corporations or firms, the borrower's financial statement shall be accompanied by separate financial statements of such affiliated or subsidiary corporations or firms, unless the statement of the borrower clearly indicates that such note is both eligible from a legal standpoint and acceptable from a credit standpoint.

This applies to all paper with the following exceptions:

- 1st. If it is secured by a warehouse, terminal, or other similar receipt covering goods in storage, no statement is required.
- 2nd. If it is secured by bonds or notes issued by the United States Government, no statement is required.
- 3rd. If the aggregate of the obligations of the borrower, rediscounted and offered for rediscount at the Federal Reserve Bank is less than a sum equal to 10 per cent of the paid in capital of the member bank, and does not exceed \$5,000, the Federal Reserve Bank may waive a statement.
- 4th. If the bills bear the signature of the purchaser and the seller of goods, and present prima facie evidence that they were issued for goods actually purchased or sold, the Federal Reserve Bank has the right to waive a statement if it so desires. This, of course, is on the presumption that either the drawer or the acceptor is someone well known in the trade.

If sufficient time is not available to the member bank to make and send with the offering certified copies of statements that have not been filed previously, the original statements should be forwarded, which will, on request, be copied by the Federal Reserve Bank and returned.

The Federal Reserve Bank of Atlanta reserves the right to call for the current financial statement of any borrower whose unsecured paper or paper secured otherwise than as above indicated is offered for, or is under rediscount, regardless of amount, and to charge back to the rediscounting bank any paper with respect to which a current statement has been requested and not furnished. The unsecured paper of any borrower, regardless of amount, whose current financial statement has been requested and not furnished, will not be considered until said statement is in the hands of the Federal Reserve Bank of Atlanta.

Respectfully,

M. B. WELLBORN,  
Governor.

*#7*  
FEDERAL RESERVE BANK OF CHICAGO

230 SOUTH LA SALLE STREET

OFFICE OF THE GOVERNOR



January 20, 1925.

Mr. J. C. Noell, Assistant Secretary,  
Federal Reserve Board,  
Washington, D. C.

Dear Mr. Noell:

In compliance with your telegraphic  
request of this date, I am sending you herewith the  
following forms used by this bank:

Two copies of Member Bank Collateral Note.  
Two copies of Agreement for Deposit of  
Collateral.

Very truly yours,

*J. M. [Signature]*  
Governor.

HS.

Enclosures.

\_\_\_\_\_ days after date, for value received, the undersigned  
(Not over fifteen days)  
promises to pay to the order of **FEDERAL RESERVE BANK OF CHICAGO** at its office,  
\_\_\_\_\_  
DOLLARS,  
with interest at the rate of seven per cent per annum after maturity until paid.

The undersigned has deposited with said Bank, as collateral security for the payment of this note, and of every other liability or liabilities, either direct or contingent, now owing or which may hereafter be owing, whether now or hereafter contracted, of the undersigned to said payee, or to the legal holder hereof, the following property, viz.:

DESCRIBE COLLATERAL  
Indicating Security  
Maturity and Amount

With the right on the part of the said Bank or the legal holder hereof from time to time to call for additional security of such kind and value as will be satisfactory to said Bank or the legal holder hereof, and on failure to respond, or if in the judgment of said Bank, or the legal holder hereof, said security, or any additions thereto or substitutes therefor or any part thereof, shall have depreciated in value, then the whole of this note shall be deemed immediately payable at the election of the said Bank or the legal holder hereof, with full power in said Bank, or the legal holder hereof on maturity hereof, either by its terms or by election as aforesaid, or on the non-payment of any of the other liabilities above mentioned, to at any time, and from time to time, sell, assign and deliver the whole of said property and all additions thereto and substitutes therefor, or any part of said property, additions and substitutes, at any public or private sale, at the option of said Bank, or the legal holder hereof, and without advertising the same and without notice to the undersigned, and with the right of said Bank or the legal holder hereof, to be a purchaser at any public sale or sales; and in the event of any sale or purchase hereunder no matter by or to whom made, all notice thereof, and any and all equity or right of redemption, whether before or after sale hereunder is hereby expressly waived; and, after deducting all legal and other costs and expenses, including reasonable attorney's fees, from the proceeds of such sale or sales, to apply the remainder on any one or more of said liabilities, whether due or not, as said Bank or the legal holder hereof shall deem proper (making rebate of interest on any demands not matured), and return the surplus, if any, to the undersigned. Said Bank or the legal holder hereof, may at its, his or their discretion enforce the collection of said security, additions thereto and substitutes therefor by suit or otherwise, and may surrender, compromise, release, renew, extend or exchange all or any of the same. Said Bank or the legal holder hereof is hereby authorized and empowered at any time to apply to the payment of any liability or liabilities, whether the same be due or not, of the undersigned, to said Bank, or to the legal holder hereof, whether the same be due or not, all property, real and personal, of every kind and description, including balances, credits, collections, moneys, drafts, checks, notes, bills, or accounts (whether on hand or in transit) of the undersigned.

Sign here: { \_\_\_\_\_

ADDRESS \_\_\_\_\_



\_\_\_\_\_ days after date, for value received, the undersigned  
(Not over fifteen days)  
promises to pay to the order of **FEDERAL RESERVE BANK OF CHICAGO** at its office,  
\_\_\_\_\_ DOLLARS,  
with interest at the rate of seven per cent per annum after maturity until paid.

The undersigned has deposited with said Bank, as collateral security for the payment of this note, and of every other liability or liabilities, either direct or contingent, now owing or which may hereafter be owing, whether now or hereafter contracted, of the undersigned to said payee, or to the legal holder hereof, the following property, viz.:

DUPLICATE  
FOR MEMBER BANK'S RECORD ONLY

With the right on the part of the said Bank or the legal holder hereof from time to time to call for additional security of such kind and value as will be satisfactory to said Bank or the legal holder hereof, and on failure to respond, or if in the judgment of said Bank, or the legal holder hereof, said security, or any additions thereto or substitutes therefor or any part thereof, shall have depreciated in value, then the whole of this note shall be deemed immediately payable at the election of the said Bank or the legal holder hereof, with full power in said Bank, or the legal holder hereof on maturity hereof, either by its terms or by election as aforesaid, or on the non-payment of any of the other liabilities above mentioned, to at any time, and from time to time, sell, assign and deliver the whole of said property and all additions thereto and substitutes therefor, or any part of said property, additions and substitutes, at any public or private sale, at the option of said Bank, or the legal holder hereof, and without advertising the same and without notice to the undersigned, and with the right of said Bank or the legal holder hereof, to be a purchaser at any public sale or sales; and in the event of any sale or purchase hereunder no matter by or to whom made, all notice thereof, and any and all equity or right of redemption, whether before or after sale hereunder is hereby expressly waived; and, after deducting all legal and other costs and expenses, including reasonable attorney's fees, from the proceeds of such sale or sales, to apply the remainder on any one or more of said liabilities, whether due or not, as said Bank or the legal holder hereof shall deem proper (making rebate of interest on any demands not matured), and return the surplus, if any, to the undersigned. Said Bank or the legal holder hereof, may at its, his or their discretion enforce the collection of said security, additions thereto and substitutes therefor by suit or otherwise, and may surrender, compromise, release, renew, extend or exchange all or any of the same. Said Bank or the legal holder hereof is hereby authorized and empowered at any time to apply to the payment of any liability or liabilities, whether the same be due or not, of the undersigned, to said Bank, or to the legal holder hereof, whether the same be due or not, all property, real and personal, of every kind and description, including balances, credits, collections, moneys, drafts, checks, notes, bills, or accounts (whether on hand or in transit) of the undersigned.

Sign here: { \_\_\_\_\_

ADDRESS \_\_\_\_\_

# Agreement for Deposit of Collateral

Whereas, the undersigned bank is a member of the Federal Reserve Bank of Chicago, and

Whereas, the undersigned bank is or may be liable to said Federal Reserve Bank of Chicago by way of endorsement of notes, drafts, bills of exchange and other commercial paper, and is or may become otherwise indebted to said Federal Reserve Bank of Chicago, and

Whereas, it is to the interest of the undersigned bank, as well as of the Federal Reserve Bank of Chicago, that said Federal Reserve Bank of Chicago, should be fully secured and indemnified for each and every obligation of the undersigned bank, due or to become due to said Federal Reserve Bank of Chicago;

NOW, THEREFORE, THIS INSTRUMENT WITNESSETH: That the undersigned bank has deposited with said Federal Reserve Bank of Chicago, as collateral security for the payment of every liability, or liabilities, either direct or contingent, now owing or which may hereafter be owing, whether now or hereafter contracted, of the undersigned to said Federal Reserve Bank of Chicago, the following described property, to-wit:

with the right on the part of said Federal Reserve Bank of Chicago to call for additional security of such kind and value as will be satisfactory to said bank, and, on failure to respond, or, if in the judgment of said bank, said security or any additions thereto or substitutes therefor, or any part thereof, shall have depreciated in value, then the whole of every obligation of the undersigned to said bank shall be deemed immediately payable, at the election of said bank, with full power in said bank, on the maturity of said indebtedness either by its terms or by election as aforesaid, to at any time sell, and from time to time sell, assign and deliver the whole of said property and all additions thereto, and substitute therefor, or any part of said property, additions and substitutes, at any public or private sale, at the option of said bank, and without advertising the same, and without notice to the undersigned, and with the right of said bank to be a purchaser at any such sale, or sales, and in the event of any sale of purchase hereunder, no matter by or to whom made, all notice thereof and any and all equity or right of redemption, whether before or after the sale hereunder, is hereby expressly waived; and, after deducting all legal and other costs and expenses, including reasonable attorneys' fees, from the proceeds of such sale or sales, to apply the remainder on any one or more of the liabilities of the undersigned, whether due or not, as said bank shall deem proper (making rebate of interest on any demands not matured) and return the surplus, if any, to the undersigned. Said bank may, at its discretion, enforce the collection of said security, additions thereto and substitutes therefor, by suit or otherwise, and may surrender, compromise, release, renew, extend or exchange all or any of the same. Said bank is hereby authorized and empowered at any time to apply to the payment of any liability, or liabilities, whether the same be due or not, of the undersigned bank, to said bank, all property, real, personal, or mixed of every kind or description, including balances, credits, collections, moneys, drafts, checks, notes, bills or accounts (whether on hand or in transit) of the undersigned.

Dated at \_\_\_\_\_, 192\_\_\_\_\_.

By \_\_\_\_\_

President  
Vice-President  
Cashier

# Agreement for Deposit of Collateral

Whereas, the undersigned bank is a member of the Federal Reserve Bank of Chicago, and

Whereas, the undersigned bank is or may be liable to said Federal Reserve Bank of Chicago by way of endorsement of notes, drafts, bills of exchange and other commercial paper, and is or may become otherwise indebted to said Federal Reserve Bank of Chicago, and

Whereas, it is to the interest of the undersigned bank, as well as of the Federal Reserve Bank of Chicago, that said Federal Reserve Bank of Chicago, should be fully secured and indemnified for each and every obligation of the undersigned bank, due or to become due to said Federal Reserve Bank of Chicago;

NOW, THEREFORE, THIS INSTRUMENT WITNESSETH: That the undersigned bank has deposited with said Federal Reserve Bank of Chicago, as collateral security for the payment of every liability, or liabilities, either direct or contingent, now owing or which may hereafter be owing, whether now or hereafter contracted, of the undersigned to said Federal Reserve Bank of Chicago, the following described property, to-wit:

with the right on the part of said Federal Reserve Bank of Chicago to call for additional security of such kind and value as will be satisfactory to said bank, and, on failure to respond, or, if in the judgment of said bank, said security or any additions thereto or substitutes therefor, or any part thereof, shall have depreciated in value, then the whole of every obligation of the undersigned to said bank shall be deemed immediately payable, at the election of said bank, with full power in said bank, on the maturity of said indebtedness either by its terms or by election as aforesaid, to at any time sell, and from time to time sell, assign and deliver the whole of said property and all additions thereto, and substitute therefor, or any part of said property, additions and substitutes, at any public or private sale, at the option of said bank, and without advertising the same, and without notice to the undersigned, and with the right of said bank to be a purchaser at any such sale, or sales, and in the event of any sale of purchase hereunder, no matter by or to whom made, all notice thereof and any and all equity or right of redemption, whether before or after the sale hereunder, is hereby expressly waived; and, after deducting all legal and other costs and expenses, including reasonable attorneys' fees, from the proceeds of such sale or sales, to apply the remainder on any one or more of the liabilities of the undersigned, whether due or not, as said bank shall deem proper (making rebate of interest on any demands not matured) and return the surplus, if any, to the undersigned. Said bank may, at its discretion, enforce the collection of said security, additions thereto and substitutes therefor, by suit or otherwise, and may surrender, compromise, release, renew, extend or exchange all or any of the same. Said bank is hereby authorized and empowered at any time to apply to the payment of any liability, or liabilities, whether the same be due or not, of the undersigned bank, to said bank, all property, real, personal, or mixed of every kind or description, including balances, credits, collections, moneys, drafts, checks, notes, bills or accounts (whether on hand or in transit) of the undersigned.

Dated at....., 192.....

By.....

President  
Vice-President  
Cashier



FEDERAL RESERVE BANK  
OF  
ST. LOUIS

January 20, 1925.



Federal Reserve Board,  
Washington, D. C.

Gentlemen:

1/20/25  
I am to-day in receipt of a telegram from Mr. Noell, requesting us to send two copies of the form of collateral note and two copies of our General Loan and Collateral Agreement.

The forms requested are inclosed herewith.

Very respectfully,

*D. C. Biggs*  
D. C. Biggs,  
Governor.

No. \_\_\_\_\_

192

after date, without grace, the undersigned bank

(Maturity must be fifteen days or less)

promises to pay to the order of the

**FEDERAL RESERVE BANK OF ST. LOUIS**

DOLLARS

for value received.

Payable at the office of Federal Reserve Bank of St. Louis, Missouri.

Due \_\_\_\_\_

Address \_\_\_\_\_

The maker of the above note has deposited and pledged with the Federal Reserve Bank of St. Louis, as collateral security for the payment of said note, the following notes, drafts, bills of exchange, bankers' acceptances, bonds or notes of the United States:

Now, in the event of the non-payment of said note at maturity, the holders hereof are hereby invested with full authority to use, transfer, hypothecate, sell or convey the said property, or any part thereof, or to cause the same to be done, at public or private sale, with or without notice or demand of any sort, at such place and on such terms as the said holders hereof may deem best; and the holders of this note are authorized to purchase said collaterals when sold for their own protection; and the proceeds of such sale, transfer or hypothecation shall be applied to the payment of this note, together with all protests, damages, interest, costs and charges due upon the note, or incurred by reason of its non-payment when due, or in the execution of this power. Also a commission of two and one-half per cent on the gross amount of said collateral sold. The surplus, if any, after payment of this note, together with all charges above stated, shall be paid to the maker of this note, or, at the election of the holders hereof, be paid on any other obligation of the maker hereof, whether as principal debtor or otherwise, held by the holders hereof, and if the proceeds of the above sale shall not be sufficient to pay this note, the maker hereof agrees to make good on demand any deficit. And it is understood and agreed should there be any depreciation in the valuation of said security prior to the maturity of this note, such an amount of additional security shall be furnished as will be satisfactory to the holders of said note; and should such additional security not be furnished within twenty-four hours after demand so to do, then and in that event said holders may declare this note due and payable and proceed at once to sell as above specified the security herein named. These conditions of hypothecation to apply with equal force to any extension or renewal of this note, and to any additions to or substitutions for the securities above recited.

In the event default is made in the payment of this note at maturity and it is placed in the hands of an attorney for collection, or suit is brought on the same, then an additional amount of ten per cent on the principal and interest of this note shall be added to the same as collection fees.

The maker hereby certifies that, to the best of its knowledge and belief, the loans represented by the bills receivable or commercial paper, if any, pledged herein as collateral security for the above obligation, were made for agricultural, industrial or commercial purposes, or are based on live stock; and that the provisions of the Federal Reserve Act and the regulations issued by the Federal Reserve Board have been complied with.

The maker further certifies that none of the borrowers whose paper is herewith offered as collateral is liable to it for borrowed money, other than secured by obligations of the United States Government issued since April 24, 1917, in an amount in excess of 10% of its capital and surplus; and it hereby guarantees that no such borrower shall be permitted to become liable in excess of such amount while its notes, drafts or bills of exchange are under rediscount by, or are held as collateral to obligations of, the maker to the Federal Reserve Bank of St. Louis.

It is further certified that all securities herewith pledged are either the property of this bank, or are being pledged with the written consent of the owner.

(Seal of Bank)

No. \_\_\_\_\_

192

after date, without grace, the undersigned bank

(Maturity must be fifteen days or less)

promises to pay to the order of the

**FEDERAL RESERVE BANK OF ST. LOUIS**

DOLLARS

for value received.

Payable at the office of Federal Reserve Bank of St. Louis, Missouri.

Due \_\_\_\_\_

Address \_\_\_\_\_

The maker of the above note has deposited and pledged with the Federal Reserve Bank of St. Louis, as collateral security for the payment of said note, the following notes, drafts, bills of exchange, bankers' acceptances, bonds or notes of the United States:

Now, in the event of the non-payment of said note at maturity, the holders hereof are hereby invested with full authority to use, transfer, hypothecate, sell or convey the said property, or any part thereof, or to cause the same to be done, at public or private sale, with or without notice or demand of any sort, at such place and on such terms as the said holders hereof may deem best; and the holders of this note are authorized to purchase said collaterals when sold for their own protection; and the proceeds of such sale, transfer or hypothecation shall be applied to the payment of this note, together with all protests, damages, interest, costs and charges due upon the note, or incurred by reason of its non-payment when due, or in the execution of this power. Also a commission of two and one-half per cent on the gross amount of said collateral sold. The surplus, if any, after payment of this note, together with all charges above stated, shall be paid to the maker of this note, or, at the election of the holders hereof, be paid on any other obligation of the maker hereof, whether as principal debtor or otherwise, held by the holders hereof, and if the proceeds of the above sale shall not be sufficient to pay this note, the maker hereof agrees to make good on demand any deficit. And it is understood and agreed should there be any depreciation in the valuation of said security prior to the maturity of this note, such an amount of additional security shall be furnished as will be satisfactory to the holders of said note; and should such additional security not be furnished within twenty-four hours after demand so to do, then and in that event said holders may declare this note due and payable and proceed at once to sell as above specified the security herein named. These conditions of hypothecation to apply with equal force to any extension or renewal of this note, and to any additions to or substitutions for the securities above recited.

In the event default is made in the payment of this note at maturity and it is placed in the hands of an attorney for collection, or suit is brought on the same, then an additional amount of ten per cent on the principal and interest of this note shall be added to the same as collection fees.

The maker hereby certifies that, to the best of its knowledge and belief, the loans represented by the bills receivable or commercial paper, if any, pledged herein as collateral security for the above obligation, were made for agricultural, industrial or commercial purposes, or are based on live stock; and that the provisions of the Federal Reserve Act and the regulations issued by the Federal Reserve Board have been complied with.

The maker further certifies that none of the borrowers whose paper is herewith offered as collateral is liable to it for borrowed money, other than secured by obligations of the United States Government issued since April 24, 1917, in an amount in excess of 10% of its capital and surplus; and it hereby guarantees that no such borrower shall be permitted to become liable in excess of such amount while its notes, drafts or bills of exchange are under rediscount by, or are held as collateral to obligations of, the maker to the Federal Reserve Bank of St. Louis.

It is further certified that all securities herewith pledged are either the property of this bank, or are being pledged with the written consent of the owner.

(Seal of Bank)



## GENERAL LOAN AND COLLATERAL AGREEMENT.

**Know All Men by These Presents** that in consideration of advances or rediscounts at this time or heretofore granted to it by the Federal Reserve Bank of St. Louis and / or in consideration of obtaining such further advances, rediscounts, loans or credits as may hereafter be granted to it by the Federal Reserve Bank of St. Louis, the undersigned bank hereby agrees that as collateral security for any and all loans, advances, rediscounts, indebtedness, obligation and liability of the undersigned bank to the said Federal reserve bank, now or hereafter existing, matured or not matured, absolute or contingent, and wherever payable, including such as may arise from indorsements of notes, acceptances or any other items, or paper discounted by said Federal reserve bank or held by said Federal reserve bank as security for any loans or advances of any sort whatever, and including overdrafts and indebtedness by the undersigned bank to said Federal reserve bank on account of collections or paper received for collection, said Federal reserve bank shall hold, retain and have a lien upon all moneys, negotiable instruments, bonds, stocks, commercial paper, credits, choses in action, claims and demands of every kind at any time in possession or control of said Federal reserve bank or any of its agents or correspondents, or in transit to it by mail or carrier, belonging to, for account of or subject to the order of the undersigned bank; and said Federal reserve bank shall have the following rights and powers in respect to such collaterals and every part thereof (in addition to any other rights which it may have): Said Federal reserve bank may at any time or times collect any of such collaterals, and it may indorse any thereof in behalf and in the name of the undersigned; and in case of failure of the undersigned to pay or discharge when due any such loan, indebtedness, obligation or liability, or in case of failure of the undersigned bank to furnish additional collateral as hereinafter provided, or in case of the insolvency, general assignment, receivership, bankruptcy or failure in business of the undersigned bank, said Federal reserve bank may sell without notice any of said collaterals at private or public sale or at broker's board (being at liberty to become the purchaser if the sale is public or at broker's board) and may apply any and all money or credits, including the proceeds of any such sale, and any debts, liabilities or balances, due or not due, in favor of the undersigned bank, arising from deposits, discounts, collections, items in transit, or otherwise, at any time owing or due from or chargeable against said Federal reserve bank, or any of its agents or correspondents, to the payment of expenses of any such sale or sales, or of the realization or collection of any of said collaterals, or of any of said loans, advances, rediscounts, indebtedness, obligation or liability of the undersigned bank, and to the payment of any and all loans, indebtedness, obligation or liability of the undersigned bank, whether due or not due; and any or all loans, indebtedness, obligation or liability of the undersigned bank shall in any of the cases above stated become due at the option of said Federal reserve bank. If the collaterals securing any loans, indebtedness, obligation or liability of the undersigned bank to said Federal reserve bank shall at any time be unsatisfactory in amount or otherwise to said Federal reserve bank, or to any of its officers, the undersigned bank will immediately furnish such further security as will be satisfactory to said Federal reserve bank. Said Federal reserve bank may assign or transfer the whole or any part of any indebtedness, obligation or liability of the undersigned bank, and may transfer therewith as collateral security therefor, the whole or any part of the collaterals above referred to, and the transferee shall have the same rights and powers with reference to the indebtedness, obligation or liability transferred, and the collaterals transferred therewith, as are hereby given to said Federal reserve bank. It is also agreed that this instrument constitutes a continuing agreement between the undersigned bank and the said Federal reserve bank applying to all future, as well as existing, transactions between the said parties and also that the force and effect hereof shall not be terminated by the closing at any time of all transactions between the said parties, but that the same shall apply thereafter to any new transactions and shall continue in full force until notice is received in writing by either party from the other of the intention to terminate it, whereupon, it shall be of no effect for any indebtedness subsequently created.

**In Witness Whereof**, the.....

has caused its corporate seal to be hereto affixed and these presents to be signed by one of its officers thereunto duly authorized at.....this.....day of.....19.....

.....  
(Name of bank)

By.....  
(Title)

[SEAL]

C. D. 22.

FEDERAL RESERVE BANK  
OF MINNEAPOLIS

January 20, 1925.

#9  
Federal Reserve Bank

332,3-8  
JAN 23, 1925

Federal Reserve Board,  
Washington, D.C.

Attention, Mr. J. C. Noell,  
Assistant Secretary.

Dear Mr. Noell:

Pursuant to the request contained  
in your telegram of January 20, Trans 525, I am sending  
herewith two blank forms of member bank collateral note,  
together with general pledge agreement that we use with  
our member banks.

Yours very truly,

*Raymond*  
Governor

RAY-C

192

\$

after date, without grace, the undersigned bank promises to pay to the order of the

# Federal Reserve Bank of Minneapolis

DOLLARS

with interest at the rate of ..... per cent per annum until paid. Value received.

Payable at the Federal Reserve Bank of Minneapolis.

Presentment for payment, protest and notice of dishonor waived by each maker, indorser and guarantor hereof.

INTEREST PAID TO MATURITY

No. ....

Due .....

Bank

Town

State

By .....  
President  
Cashier

In consideration of the loan for which the foregoing note is given, the undersigned bank assigns and transfers to the Federal Reserve Bank of Minneapolis

as collateral security for the payment of said note and all other debts and liabilities to said bank, actual or contingent, now or hereafter contracted or incurred by the undersigned bank, and said bank agrees that whenever said property shall be insufficient to furnish a margin of security of at least ..... per cent. above the amount of said note and such other debts and liabilities, the Federal Reserve Bank of Minneapolis may call for additional security sufficient to furnish such margin, and that upon failure to comply with such demand, or in case said note or any such other debt or liability is not paid at maturity, said Federal Reserve Bank of Minneapolis may sell said property and any property pledged in substitution therefor or in addition thereto, at public or private sale, without demanding payment or giving notice, with the right to be purchaser if the sale is made at any brokers' board or public sale. From the proceeds of the sale shall be deducted the costs and expenses of the sale and of protecting the property, including a reasonable attorney's fee, and the proceeds remaining shall be applied, first towards the payment of said note, whether due or not, and secondly, towards the payment of all such other debts and liabilities whether due or not. The surplus remaining, if any, shall be returned to the undersigned bank. The undersigned bank also authorizes said Federal Reserve Bank of Minneapolis, at any time, in its discretion, to apply any money or other property of any kind, which it may have or hold on deposit or otherwise for said bank, towards the payment of said note and such other debts and liabilities, whether due or not. All the provisions and powers herein contained shall enure to the benefit of any assign of the Federal Reserve Bank of Minneapolis.

The undersigned bank agrees that the Federal Reserve Bank of Minneapolis and its assigns may use its or their best judgment in granting extension, or securing or forcing the collection of said collaterals, and that said undersigned bank will pay all reasonable charges and expenses incurred in renewing, securing or collecting said collaterals, that the Federal Reserve Bank of Minneapolis and its assigns shall not be under any obligation to notify the makers or indorsers of any of said collaterals, or to institute any proceeding to collect said securities, but may do so at its or their option.

And said undersigned bank does hereby release the Federal Reserve Bank of Minneapolis and its assigns, from all liability on account of the insolvency of the makers, or indorsers, or sureties, of any of said collaterals, or on account of any omission on the part of said Federal Reserve Bank of Minneapolis, or its assigns, to notify, or to proceed against, such makers, indorsers or sureties.

Bank

Town

State

By .....  
President  
Cashier



**Know all men by these Presents,** That the undersigned in consideration of financial accommodations given or to be given or continued to the undersigned by The Federal Reserve Bank of Minneapolis, hereby agrees with the said Bank that whenever the undersigned shall become or remain directly or contingently indebted to the said Bank for money lent or for money paid for the use or account of the undersigned or for any overdraft or upon any endorsement, draft, guarantee or in any other manner whatsoever or upon any other claim, the said Bank shall then and thereafter have the following rights, in addition to those created by the circumstances from which such indebtedness may arise, against the undersigned, namely:

1. All securities deposited by the undersigned with said Bank, as collateral to any such loan or indebtedness of the undersigned to said Bank, shall also be held by said Bank as security for any other liability of the undersigned to said Bank, whether then existing or thereafter contracted; and said bank shall also have a lien upon any balance of the deposit account of the undersigned with said Bank existing from time to time, and upon all property of the undersigned of every description left with said Bank for safe keeping or otherwise, or coming to the hands of said Bank in any way as security for any liability of the undersigned to said Bank now existing or hereafter contracted.

2. Said Bank shall at all times have the right to require from the undersigned that there shall be lodged with said Bank as security for all existing liabilities of the undersigned to said Bank, approved collateral securities to an amount satisfactory to said Bank, and may call for additional collateral security, whenever the said collaterals, or such other property as shall be deposited in substitution therefor, shall depreciate in value, and upon the failure of the undersigned at all times to keep a margin of securities with said Bank for such liabilities of the undersigned, satisfactory to said Bank, or upon any failure in business or making of an insolvent assignment by the undersigned, then and in either event all liabilities of the undersigned to said Bank shall, at the option of said Bank, become immediately due and payable notwithstanding any credit or time allowed to the undersigned by any instrument evidencing any of the said liabilities.

3. Upon failure of the undersigned either to pay any indebtedness to said Bank when becoming or made due, or to keep up the margin of collateral securities above provided for, then and in either event said Bank may immediately without advertisement and without notice to the undersigned or demanding payment, sell any of the securities held by it as against any or all of the liabilities of the undersigned, at private sale or Broker's Board or otherwise, and apply the proceeds of such sale as far as needed toward the payment of any or all of such liabilities, together with interest and expenses of sale, holding the undersigned responsible for any deficiency remaining unpaid after such application. If any such sale be at Broker's Board or at public auction said Bank may itself be a purchaser at such sale, free from any right or equity of redemption of the undersigned, such right and equity being hereby expressly waived and released. Upon default as aforesaid, said Bank may also apply toward the payment of the said liabilities all balances of any deposit account of the undersigned with said Bank then existing.

4. It is further agreed that said Bank may use its best judgment in granting extension or securing or forcing the collection of said collaterals, and that the undersigned will pay all reasonable charges and expenses incurred in renewing, securing or collecting said collaterals; that said Bank shall not be under any obligation to notify the makers or endorsers of any of said collaterals, or to institute any proceeding to collect said security, but may do so at its option.

And the undersigned does hereby release the said Bank, from all liability on account of the insolvency of the makers, or endorsers, or sureties of any of said collaterals, or on account of any omission on the part of said Bank to notify, or to proceed against said makers, endorsers or sureties.

It is further agreed that these presents shall constitute a continuing agreement, applying to any and all future as well as to existing transactions between the undersigned and said Bank.

Dated..... 192.....

(Bank)

(Place)

(State)

By.....

Cashier

332,3-8  
#10

FEDERAL RESERVE BANK  
OF  
KANSAS CITY

W. J. BAILEY, GOVERNOR  
C. A. WORTHINGTON, DEPUTY GOVERNOR  
J. W. HELM, CASHIER  
JOHN PHILLIPS, JR., ASST. CASHIER  
E. P. TYNER, ASST. CASHIER  
G. E. BARLEY, ASST. CASHIER  
M. W. E. PARK, ASST. CASHIER  
A. G. FROST, ASST. CASHIER  
A. M. ADAMS, ASST. CASHIER  
G. H. PIPKIN, ASST. CASHIER

M. L. MCCLURE  
CHAIRMAN BOARD OF DIRECTORS  
AND FEDERAL RESERVE AGENT  
HEBER HORD  
DEPUTY CHAIRMAN  
BOARD OF DIRECTORS  
C. K. BOARDMAN  
ASST. FEDERAL RESERVE AGENT  
AND SECRETARY

January 20th, 1925.



Federal Reserve Board,

Washington, D.C.

Attention: Mr. J. C. Noell.

Gentlemen:

As requested in your telegram of even date, we are enclosing two copies each of our member bank collateral note form and general pledge agreement. The general pledge agreement has not been used in all cases; consequently, we have not adopted a printed form.

Yours very truly,

Deputy Governor.

CAW\*FA



AGREEMENT FOR DEPOSIT OF COLLATERAL

WHEREAS, the undersigned,

has heretofore borrowed and expects in the future to borrow money from, and has heretofore rediscounted and expects in the future to rediscount its bills receivable with the Federal Reserve Bank of Kansas City, hereinafter called "the bank", and has pledged and will hereafter pledge with said bank various kinds of property as collateral security for the payment of its obligations and liabilities to said Federal Reserve Bank.

NOW, THEREFORE, the undersigned agrees with said bank that all of the property thus pledged, and in addition thereto any balance on deposit or otherwise with said bank, may be held as collateral security for the payment of any and all such loans of the undersigned and bills receivable so rediscounted, as well as for the payment of all its other obligations, indebtedness and liabilities, present and future, of every kind and nature, direct, indirect or contingent, by endorsement or otherwise, and whether due or to become due, and further agrees to deliver to said bank additional securities should the market value of said securities suffer any decline, or the same or any part thereof become unsatisfactory to said bank.

Upon the maturity and non-payment of any of said obligations or liabilities of the undersigned to said bank, or before the maturity thereof in case of the insolvency or closing of the doors of the undersigned, the sale of all or a substantial portion of its assets, its withdrawal or application to withdraw as a member of said bank, or if the bank shall for any reason deem itself insecure or unsafe, then in any such case all obligations and liabilities, direct or contingent, of the undersigned shall forthwith become due and payable without demand or notice, at the option of said bank, and the undersigned hereby gives to said bank, its officers and agents, in addition to all other rights which it otherwise would have, the following power and authority:

(1) To sell, assign and deliver the whole of said securities or any part thereof, or substitutes therefor, at any broker's board at public or private sale at its option, without demand, advertisement, or notice, all of which are expressly waived, and at any such sale it may become the purchaser of the whole or any part of the property so sold, free from any right of redemption on the part of the undersigned, which is hereby expressly released and waived. (2) To collect and realize upon, by compromise, suit or otherwise, any and all of said securities, and deliver and surrender the same, and for such purposes to employ such agents and attorneys and pay to them such charges and fees, and to incur and pay such other expenses and charges as to said bank may appear necessary or desirable. In case of any such sale, collection or other disposition of said property, the bank may apply the proceeds thereof, to the expenses of such sale, collection or other disposition, including charges or fees of agents and attorneys, and apply the remainder of the proceeds to any one or more or all of the said obligations or liabilities to it, whether then due or not, making proper rebate for interest on obligations or liabilities not then due, and returning the over-plus, if any, to the undersigned.

The bank may extend or renew any obligations deposited hereunder without notice to the undersigned, and without presentment, demand, protest and notice of non-payment, all of which are hereby waived. No delay on the part of said bank in exercising any rights, hereunder shall operate as a waiver of such rights.

Dated at

---



Collateral No. ....

Disc. No. ....

\$ .....

192

(Place)

(Date)

On ....., 192..., for value received, the undersigned promises to pay to the order of **FEDERAL RESERVE BANK OF KANSAS CITY**, at its office in Kansas City, Missouri,

..... **DOLLARS**  
with interest at the rate of eight per cent. per annum after maturity until paid.

The undersigned has deposited with said Bank, as collateral security for the payment of this note, and of every other liability or liabilities, either direct or contingent, now owing or which may hereafter be owing, whether now or hereafter contracted, of the undersigned to said payee, or to the legal holder hereof, the following property, viz:

DESCRIBE COLLATERAL  
Indicating Security  
Maturity and Amount

With the right on the part of the said Bank or the legal holder hereof from time to time to call for additional security of such kind and value as will be satisfactory to said Bank or the legal holder hereof, and on failure to respond or if in the judgment of said Bank, or the legal holder hereof, said security, or any additions thereto or substitutions therefor or any part thereof, shall have depreciated in value, then the whole of this note shall be deemed immediately payable at the election of said Bank or the legal holder hereof, with full power in said Bank, or the legal holder hereof on maturity hereof, either by its terms or by election as aforesaid, or on the non-payment of any of the other liabilities above mentioned, to at any time, and from time to time, sell, assign and deliver the whole of said property and all additions thereto and substitutions therefor, or any part of said property, additions and substitutions, at any public or private sale, at the option of said Bank, or the legal holder hereof, and without advertising the same and without notice to the undersigned, and with the right of said Bank or the legal holder hereof, to be a purchaser at any public sale or sales; and in the event of any sale or purchase hereunder no matter by or to whom made, all notice thereof, and any and all equity or right of redemption, whether before or after sale hereunder is hereby expressly waived; and, after deducting all legal and other costs and expenses, including reasonable attorney's fees, from the proceeds of such sale or sales, to apply the remainder on any one or more of said liabilities, whether due or not, as said Bank or the legal holder hereof shall deem proper (making rebate of interest on any demands not matured), and return the surplus, if any, to the undersigned. Said Bank or legal holder hereof, may at its, his or their discretion enforce the collection of said security, additions thereto and substitutions therefor by suit or otherwise, and may surrender, compromise, release, renew, extend or exchange all or any of the same. The undersigned hereby releases the said Bank or legal holder hereof from liability of every kind pertaining to collection of, or failure to collect, the above mentioned collateral. Said Bank or the legal holder hereof is hereby authorized and empowered at any time to apply to the payment of any obligation, liability or liabilities, whether the same be due or not, of the undersigned, to said Bank, or to the legal holder hereof, whether now existing or hereafter contracted, and whether or not then due, and whether now held or hereafter acquired by said Bank, all property, real and personal, of every kind and description, including balances, credits, collections, moneys, drafts, checks, notes, bills or accounts (whether on hand or in transit) of the undersigned.

The ..... Bank of .....

By ....., .....

(Official Title)



R. R. GILBERT  
DEPUTY GOVERNOR

FEDERAL RESERVE BANK  
OF DALLAS

January 20, 1925.



Federal Reserve Board,  
Washington, D. C.

Gentlemen:

Attention Mr. J. C. Noell

In the absence of Governor McKinney from the City,  
I acknowledge receipt of your telegram of today, and as  
requested I am enclosing two copies each of our member bank  
collateral note form and general pledge agreement.

Yours very truly,

Deputy Governor.

RRG X

192

(Place)

(Date)

(Maturity must be fifteen days or less)

after date the undersigned bank promises to pay to the order  
of the **FEDERAL RESERVE BANK OF DALLAS**

for value received.

Dollars

Payable at the office of THE FEDERAL RESERVE BANK OF DALLAS, Dallas, Texas, with interest at the rate of eight per cent per annum from maturity.

No. ....

(Name of Member Bank)

Due .....

President Cashier.

The maker of the above note has deposited and pledged with the Federal Reserve Bank of Dallas, as collateral security for the payment of said note, the following notes, drafts, bills of exchange, banker's acceptances, bonds or notes of the United States, all of which are hereby certified to be eligible for rediscount or for purchase by Federal Reserve Banks under the provisions of the Federal Reserve Act:

Now, in the event of the non-payment of said note at maturity, the holders hereof are hereby invested with full authority to use, transfer, hypothecate, sell or convey the said property, or any part thereof, or to cause the same to be done, at public or private sale, with or without notice or demand of any sort, at such place and on such terms as the said holders hereof may deem best; and the holders of this note are authorized to purchase said collaterals when sold for their own protection; and the proceeds of such sale, transfer or hypothecation shall be applied to the payment of this note, together with all protests, damages, interest, costs and charges due upon the note, or incurred by reason of its non-payment when due, or in the execution of this power. Also a commission of two and one-half per cent on the gross amount of said collateral sold. The surplus, if any, after payment of this note, together with all charges above stated, shall be paid to the maker of this note, or, at the election of the holders hereof, be paid on any other obligation of the maker hereof, whether as principal debtor or otherwise, held by the holders hereof, and if the proceeds of the above sale shall not be sufficient to pay this note, the maker hereof agrees to make good on demand any deficit. And it is understood and agreed that should there be any depreciation in the value of said security prior to the maturity of this note, such an amount of additional security shall be furnished as will be satisfactory to the holders of said note; and should such additional security not be furnished within twenty-four hours after demand so to do, then and in that event said holders may declare this note due and payable and proceed at once to sell as above specified the security herein named. These conditions of hypothecation to apply with equal force to any extension or renewal of this note, and to any additions to or substitutions for the securities above recited.

In the even default is made in the payment of this note at maturity and it is placed in the hands of an attorney for collection, or suit is brought on the same, then an additional amount of ten per cent on the principal and interest of this note shall be added to the same as collection fees.

(Seal of Bank)

(Name of Bank)



## Know all Men by these Presents, That the undersigned, by the authority of its

Board of Directors, in consideration of financial accommodations given or to be given or continued to the undersigned by The Federal Reserve Bank of Dallas, hereby agrees with the said Bank that whenever the undersigned shall become or remain directly or contingently indebted to the said Bank for money lent or for money paid for the use or account of the undersigned or for any overdraft or upon any endorsement, draft, guarantee or in any other manner whatsoever or upon any other claim, the said Bank shall then and thereafter have the following rights, in addition to those created by the circumstances from which such indebtedness may arise, against the undersigned, namely:

1. All securities deposited by the undersigned with said Bank, as collateral to any such loan or indebtedness of the undersigned to said Bank, shall also be held by said Bank as security for any other liability of the undersigned to said Bank, whether then existing or thereafter contracted; and said Bank shall also have a lien upon any balance of the deposit account of the undersigned with said Bank existing from time to time, and upon all property of the undersigned of every description left with said Bank for safe keeping or otherwise, or coming to the hands of said Bank in any way as security for any liability of the undersigned to said Bank now existing or hereafter contracted.

2. Said Bank shall at all times have the right to require from the undersigned that there shall be lodged with said Bank as security for all existing liabilities of the undersigned to said Bank, approved collateral securities to an amount satisfactory to said Bank, and may call for additional collateral security, whenever the said collaterals, or such other property as shall be deposited in substitution therefor, shall depreciate in value, and upon the failure of the undersigned at all times to keep a margin of securities with said Bank for such liabilities of the undersigned, satisfactory to said Bank, or upon any failure in business or making of an insolvent assignment by the undersigned, then and in either event all liabilities of the undersigned to said Bank shall, at the option of said Bank, become immediately due and payable notwithstanding any credit or time allowed to the undersigned by any instrument evidencing any of the said liabilities.

3. Upon failure of the undersigned either to pay any indebtedness to said Bank when becoming or made due, or to keep up the margin of collateral securities above provided for, then and in either event said Bank may immediately without advertisement and without notice to the undersigned or demanding payment, sell any of the securities held by it as against any or all of the liabilities of the undersigned, at private sale or otherwise, and apply the proceeds of such sale as far as needed toward the payment of any or all such liabilities, together with interest and expenses of sale, holding the undersigned responsible for any deficiency remaining unpaid after such application. If any such sale be at public auction, said Bank may itself be a purchaser at such sale, free from any right or equity of redemption of the undersigned, such right and equity being hereby expressly waived and released. Upon default as aforesaid, said Bank may also apply toward the payment of the said liabilities all balances of any deposit account of the undersigned with said Bank then existing.

4. It is further agreed that said Bank may use its best judgment in granting extension or securing or forcing the collection of said collaterals, and that the undersigned will pay all reasonable charges and expenses incurred in renewing, securing or collecting said collaterals; that said Bank shall not be under any obligation to notify the makers or endorsers of any of said collaterals, or to institute any proceeding to collect said security, but may do so at its option.

And the undersigned does hereby release the said Bank from all liability on account of the insolvency of the makers, or endorsers, or sureties of any of said collaterals, or on account of any omission on the part of said Bank to notify, or to proceed against, said makers, endorsers or sureties.

It is further agreed that these presents shall constitute a continuing agreement, applying to any and all future as well as to existing transactions between the undersigned and said Bank.

5. Where the word "Bank" appears above it is understood to refer to The Federal Reserve Bank of Dallas.

Dated....., 192.....

(Bank)

(Place)

(State)

By.....  
Cashier

*Mr. Nelson*

FEDERAL RESERVE BANK  
OF SAN FRANCISCO

#12

Federal Reserve Board

332.33 JAN 20 1925

January 20, 1925.

Federal Reserve Board,  
Washington, D. C.

Dear Sirs:

Attention of Mr. J. C. Noell,  
Assistant Secretary.

In the absence of Governor Calkins, I am enclosing two copies each of B D 1, Promissory Note, and B D 114, General Pledge Agreement, as requested in your telegram of January 20th.

Until last Summer, we used a combined promissory note and hypothecation agreement, but were obliged to make the change because it was not possible to embody some very essential provisions in the hypothecation without destroying the negotiability of the note of which it was a part. I might add that our large banks have for many years used the system of having their notes supported by a separate pledge agreement. Our pledge agreement is similar to theirs in the character of requirements imposed upon the borrower.

For further information, please refer to our Circular 32, effective March 1, 1924, and the supplements thereto.

Yours very truly,

*Ma Burn*  
Deputy Governor.

\$....., 192.....  
(City) (Date)

.....after date, for value received, we promise to pay to the order of the  
**FEDERAL RESERVE BANK OF SAN FRANCISCO**  
at its office in San Francisco, California

.....DOLLARS,  
lawful money of the United States of America, with interest thereon, in like money, at the rate  
of six (6) per cent. per annum, from maturity until paid.

.....  
.....  
President  
Cashier



**GENERAL PLEDGE AGREEMENT**  
(Collateral Security not Described)

**Know All Men by These Presents:** That in consideration of any financial accommodations given, or to be given, or continued, to the undersigned by the.....

(hereinafter called "said Bank") and as collateral security for the payment of any indebtedness, obligation or liability of the undersigned to said Bank or its assigns, now or hereafter existing, matured, or to mature, absolute or contingent, and wherever payable, including such as may arise from indorsements, guaranties, acceptances, or paper discounted by said Bank, or its assigns, or held by said Bank, or its assigns, or taken as security for any loans or advances of any sort whatever, and including overdrafts and indebtedness by the undersigned to said Bank, or its assigns, on account of collections or paper received for collection, and the interest and expenses which may be incurred by the said Bank, or its assigns, or which may accrue on any thereof, the undersigned hereby assign, transfer to, and deposit with the said Bank all personal property this day delivered by the undersigned to said Bank, or which may now be held by said Bank, or which may hereafter be delivered by the undersigned to said Bank during the existence of this agreement, and of which property the undersigned hereby warrant absolute ownership, free and clear of any lien or encumbrance or claim whatsoever; the same being stored, deposited and cared for at the risk and expense of the undersigned.

The power of sale and all other powers hereinafter granted by the undersigned shall apply to all collaterals of any kind or description, including all moneys, negotiable instruments, bonds, stocks and commercial paper, credits, choses in action, claims or demands of every kind at any time during the existence of this agreement deposited with or in the possession or control of said Bank, or its assigns, or any of its agents or correspondents.

Authority is hereby given to said Bank, or its assigns, to collect all amounts which may be or become due upon any of said securities deposited, or which may be deposited, with it, and to apply the amounts so collected to the indebtedness or any part of the indebtedness of the undersigned, or the interest due thereon, and to indorse on behalf of and in the name of the undersigned any and all collaterals and securities and to give receipts therefor in the name of the undersigned for any amounts which it may receive thereon; but said Bank shall be under no obligation to collect any such amounts or sums.

Said Bank is hereby authorized to cause to be transferred to its own name, or to the name of any other person or corporation, as pledgee or trustee, or otherwise, any collaterals and securities which are now or may hereafter be deposited with it by the undersigned as security as aforesaid; and said Bank or such transferee may exercise all of the rights and privileges in connection with said securities to which said transferee may be entitled by virtue of being the record holder thereof, in addition to the rights and privileges otherwise granted hereunder; but said Bank, or its assigns, shall be under no obligation to exercise any of said rights or privileges.

If, with the consent of said Bank, or its assigns, the undersigned shall substitute or exchange other securities in place of the collaterals herein mentioned, then all of the rights and privileges of said Bank, or its assigns, and all obligations on the part of the undersigned shall be forthwith applicable to said substituted or exchanged securities, the same in all respects as with respect to the property originally pledged or held as collateral hereunder.

In the event either of the failure in business or insolvency or bankruptcy of the undersigned, or a general assignment by the undersigned, all the liabilities of the undersigned to said Bank, or its assigns, shall, at the option of said Bank, or its assigns, become immediately due and payable, notwithstanding any credit or extension of time allowed to the undersigned by any instrument evidencing any of said liabilities; and in any such event, as well as in the event of the non-payment of principal or interest, when due, on all or any of the liabilities of the undersigned secured and intended to be secured hereby, in accordance with the terms of the instrument evidencing the same, the undersigned hereby constitute and appoint said Bank, its successors or assigns, attorney in fact, irrevocable, of the undersigned with full power of substitution and revocation, and hereby authorize, empower and instruct said attorney in fact, or its assigns, to sell, without any previous demand, or demand of performance, upon the undersigned, and with or without notice to the undersigned, at its option, the whole or any part of said securities, either at public or private sale, or at broker's board, at its discretion and without any advertisement or notice of sale, and to deliver the same to the purchaser thereof; said Bank, or its assigns, being at liberty to become the purchaser, if sale is public or private or at broker's board, and to hold any and all property so purchased, discharged of any right of redemption whatever.

After deducting all legal and other costs, expenses, and charges, including attorney's fee, incurred in the collection, sale, delivery, or in the preservation of said property, or any part thereof, said Bank, or its assigns, shall apply the residue of the proceeds of such sale to the payment of all of the aforesaid indebtedness and the interest thereon; and should there be any surplus of said proceeds after the payment of all the indebtedness of the undersigned to said Bank, or its assigns, together with expenses, attorney's fee and all charges and other liability incurred by said Bank, or its assigns, in the keeping, delivery and preservation of said property, such surplus shall be subject to order of the undersigned.

The undersigned agree to pay on demand in lawful money of the United States to said Bank, or its assigns, whatever balance may be due after the sale of said securities and the application of the proceeds thereof as above provided. In case of deterioration of any of the above mentioned securities, or fall in the market value of the same, the undersigned hereby agree, upon written demand by said Bank, or its assigns, left at the last known place of residence or business of the undersigned, or sent thereto by United States Mail, to reduce the amount of said debt, or to increase the security given hereunder in such manner and amount as said Bank, or its assigns, may require, in default of which, all notes, overdrafts, indebtedness and all other liabilities of the undersigned secured and intended to be secured hereby shall immediately become due and payable; in which event, the undersigned give and grant to said Bank, or its assigns, the same rights, privileges and powers, regarding said securities and the sale thereof, as are hereinabove given by the undersigned in the event of the non-payment of any or all of said promissory notes, overdrafts, indebtedness and other liabilities secured and intended to be secured hereby, or the interest thereon when due, by the terms of the instrument evidencing the same.

It is further agreed that these presents constitute a continuing agreement applying to any and all future, as well as existing transactions between the undersigned and said Bank, and that the powers of sale and all other powers, rights and privileges hereinabove given are to apply to and bind the heirs, executors, administrators, successors and assigns of the respective parties hereto.

This agreement shall be for the benefit of said Bank, its successors or assigns; and in the event that said Bank shall assign, indorse, sell, transfer or hypothecate to any other person, firm, bank, or corporation the notes, overdrafts, indebtedness and other liabilities of the undersigned, or any notes, evidences of indebtedness, bonds, stocks, or other securities deposited hereunder and/or secured or intended to be secured hereby, or any part thereof, or any thereof, such assignment or transfer, shall automatically constitute an assignment and transfer of this agreement and of all rights given hereunder pro tanto, and such assignee, indorsee, transferee, or successor of said Bank shall be granted and shall have, jointly with said Bank, all of the rights and privileges given to said Bank in accordance with the terms hereof.

This instrument is executed by the undersigned in duplicate original, both of which instruments shall remain valid and subsisting so long as the undersigned shall in any manner be or remain indebted to said Bank or its assigns, and until the surrender to the undersigned of this instrument and the duplicate original hereof. The word "undersigned" wherever used herein shall include the plural as well as the singular.

IN WITNESS WHEREOF, the undersigned ha..... hereunto set.....hand..... and seal..... this.....

day of.....A. D. 192.....

(SEAL)

(SEAL)

## FEDERAL RESERVE BOARD

LEASED WIRE SERVICE  
WASHINGTON

332.3-8

The telegram given below is hereby confirmed.

Secretary

2-9454 a

January 20, 1925

Warding - Boston ✓

Booy - Richmond ✓

Young - Minneapolis ✓

Strong - New York ✓

Bellborn - Atlanta ✓

Bailey - Kansas City ✓

Morris - Philadelphia ✓

McDougal - Chicago ✓

McKinney - Dallas ✓

Fletcher - Cleveland ✓

Higgs - St. Louis ✓

Calkins - San Francisco ✓

Trans NO. 525 Please forward by return mail two copies each of member  
bank collateral note form and general pledge agreement.

Noell



