

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1470]
November 2, 1934]

INTERPRETATION OF REGULATION T

*To National Securities Exchanges in the
Second Federal Reserve District:*

For your information I quote below the text of a telegram which I have received today from the Federal Reserve Board:

Ruling No. 34 Interpreting Regulation T.

The Federal Reserve Board has been requested to reconsider its rulings numbered 16 and 27 interpreting Regulation T, wherein it held in effect that credit may not be extended on unregistered securities in connection with *bona fide* cash transactions for the limited periods and subject to the terms and conditions specified in section 6 of the regulation. On reconsideration the Board is of the opinion that extensions of credit on unregistered securities for the limited periods and subject to terms and conditions specified in section 6 of Regulation T, may be permitted when such extensions of credit are incident to *bona fide* cash transactions in such securities. The Board, therefore, now rules that section 6 should be interpreted as applying to *bona fide* cash transactions in unregistered, non-exempted securities as well as to *bona fide* cash transactions in registered non-exempted securities and the Board consequently revokes rulings numbered 16 and 27.

Additional copies of this circular will be furnished upon request.

J. H. CASE,
Federal Reserve Agent.

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NEW COUNTERFEIT

To Member Banks in the Second Federal
Reserve District and others concerned:

At the request of the Secret Service Division of the Treasury Department, New York District, we are forwarding to all member banks in the Second Federal Reserve District and others concerned the following information which we have received from the Secret Service Division describing a new counterfeit silver certificate:

\$1 SILVER CERTIFICATE:

Series of 1928 A; Check Letter 'J'; Face Plate No. 1705; Back Plate No. 2458; bearing facsimile signatures of W. O. WOODS and A. W. MELLON; portrait of WASHINGTON. Serial number of specimen at hand is F 12871303B, but may vary on other notes of this issue.

This counterfeit is a photo mechanical production of good workmanship. The face of the note is well executed and fairly deceptive, except for the seal and serial numbering, which are imperfectly executed in a dull blue.

Care should be exercised in handling notes of this denomination, and if any of these counterfeits come to your attention they should be forwarded to the office of the Secret Service Division which has jurisdiction in your territory. For your information, offices of the Secret Service Division are located in New York City, Buffalo, Syracuse, New York, and in Newark, New Jersey.

George L. Harrison,
Governor.