

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 1489 ]  
December 7, 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. 40 Interpreting Regulation T.**

In reply to several inquiries regarding extensions of time in connection with "cash transactions", the Federal Reserve Board rules that the jurisdiction of the business conduct committee or other suitable committee of a national securities exchange to grant extensions of time under section 6 of Regulation T is not confined to members of that exchange or to transactions on that exchange. Assuming the circumstances warrant an extension of time, the committee may grant such an extension of time to any member of that exchange or to any broker or dealer who transacts a business in securities through the medium of a member of that exchange. Furthermore, the committee may grant these persons such an extension of time not only in connection with transactions effected on the exchange, but also in connection with transactions not effected on the exchange. This applies to "cash transactions" in unregistered non-exempted securities, as well as to other "cash transactions", and it is not necessary that the transaction involve a security registered on the exchange in question, or any other registered security.

Additional copies of this circular will be furnished upon request.

J. H. CASE,  
*Federal Reserve Agent.*

FEDERAL RESERVE BANK  
OF NEW YORK

December 7, 1934.

MUTILATED CURRENCY

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:

MUTILATED CURRENCY

The Secret Service Division of the U. S. Treasury Department requests that particular attention be given by you to any genuine currency which appears to have been cut and patched, particularly if such mutilation is made diagonally through the center of the note in such a way as to leave the serial numbers untouched, the two pieces then being joined by a narrow strip of paper to present the appearance of an entire currency note. Careful examination of such a note, however, will show that each of the two pieces bears a different serial number.

Should any notes of this description come to your attention and you have information as to the source from which they were received, you should communicate immediately with the Secret Service Division, Room 746 Customhouse Building, New York City, telephone WHITEHALL 4-6161 or WHITEHALL 4-4300.

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George L. Harrison,  
Governor.