

FEDERAL RESERVE BANK OF NEW YORK

NEW YORK, N. Y. 10045

AREA CODE 212 732-5700

August 14, 1970

Reasons for Charge Back of Unpaid Checks Drawn on Eatontown National Bank, Eatontown, N.J.

To the Member Banks and Nonmember Clearing Banks
of the Second Federal Reserve District:

On Monday, August 10, 1970, we informed you, in connection with the closing of the Eatontown National Bank, Eatontown, N.J., that under the provisions of Regulation J of the Board of Governors of the Federal Reserve System (12 CFR 210) we would charge back items included in our cash letters to the Eatontown National Bank for which we had not received payment in actually and finally collected funds, and that we would also charge back and return items received by us which were not presented to the Eatontown National Bank on account of its insolvency.

We regret the difficulties that this is causing for our sending banks and their depositors. For this reason, we think we should inform you that the foregoing course of action was necessary because the Eatontown National Bank did not effect payment for our cash letters of August 4, 1970 and thereafter, even though, we understand, the Eatontown National Bank had posted the charges for the checks in our August 4, 5, and 6 cash letters to the accounts of the drawers. Whether we will be able to obtain and return to you the items included in those cash letters is at this time uncertain.

We are also attempting to obtain photographic copies of the items being charged back and, if we are successful, we will so advise you.

We are making every effort to complete the task of charging back the items but it may be another week before this can be accomplished.

ALFRED HAYES,
President.