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## ULTRA HIGH DENOMINATION \$5,000 AND \$10,000 NOTES

by Marc Michaelsen

There's no denying that \$5,000 and \$10,000 FRNs are among the most appealing collectable US currency. These Notes were the highest denominations printed for circulation by the Bureau of Engraving and Printing. The \$100,000 Gold Certificates were also printed but never issued for public use.

The Department of the Treasury's Financial Management Service indicates that 674 \$5,000 and \$10,000 FRNs are outstanding (340 \$5,000 FRNs and 334 \$10,000 FRNs). That said, there are other U.S. Currency issues that are certainly rarer. However, they lack the draw and demand of the ultra high denoms. Infact, demand for these issues has brought them from trading at modest premiums over face value to now trading at significant multiples of face value. In the early '80s ultra high denoms changed hands at around 30-40% over face value. A circulated \$5,000 bill would sell for \$7,000. Twenty years later the same Note sells for around \$30,000.

Unfortunately, the large majority of \$5,000 and \$10,000 bills have been *enhanced*. This doctoring can be anything from a light pressing right up to a major restoration. Enhancements have become prevalent with "big ticket" Notes, such as these, where substantial price increases for higher grades can be expected. That subject is highly controversial and beyond the scope or direction of this writing. The ability to "improve grade," however, has lead to even the worst looking ultra high denoms bringing multiples of face value. The "roughest" \$5,000 FRN will trade near the \$15,000 level. Twenty years ago you could have had your choice of the finest gem \$5,000 for that kind of money (and probably get some change back). The appearance of unmolested \$5,000 and \$10,000 bills with original paper surfaces is rare. The dispersal of The Bank One Hoard of 2001 was one such exception. Unfortunately, most of these Notes also ended up being "improved" or "helped along."

No single event in the field of high denomination Notes captured as much attention as the sale of the Binion's Horseshoe in 1999. The Las Vegas Casino sold its world famous display of one hundred \$10,000 Federal Reserve Notes, making headlines well outside of numismatic circles. Record price levels for these Notes and consumer demand drove them from "strong hands." High levels of consumer discretionary income seemed to offer the correct timing to bring these Binion's public. After being removed from the Horseshoe display, many Binion Notes were 3<sup>rd</sup> party graded, pedi-

greed and marketed at the tail-end of our most recent economic boom. It appeared anyone who could afford it, dot comers to doctors, wanted one of these Notes. The economy and the currency market appeared to be healthy. Then the bottom fell out!

Some prognosticators said that the influx of one hundred \$10,000 FRNs would surely depress the values of the tens. This was true in part, but not the entire equation. A downward spiraling Nasdaq, the horrors of 9/11 and a general loss of consumer confidence affected all aspects of commerce. What happened in the currency market was a mirror of the economy in general. What came down the fastest in the currency market were not the core collector-based Notes, but instead it would be the high flyers. \$5,000 and \$10,000 bills were the leader of the pack and now they've "come off" in a big way. Consumers formerly flush with money were now sellers. - As "rare" as they are, there were more \$5,000 and \$10,000 bills on the market at one time than ever before. Whether Binion's hoard was ever effectively marketed in its entirety is not public knowledge. As with all commodities (and these should be considered such) ultra high denoms eventually found their new trading levels. These lower levels seem to now be established. Some view these levels as a buying opportunity. Others see these Notes as now being fairly valued.

Incredibly, within this most elite niche of collectable U.S. currency, "the collector" has now emerged. This isn't the guy who just bought a Binion Note with his Wall Street bonus and wants to impress his friends. This new collector is well informed and well funded, compiling data and taking a position. Of the 674 ultra high denoms outstanding, approximately half the serial numbers have now been diligently collected by a handfull of collectors and dealers. As this data becomes more detailed, core collecting of ultra high denoms will become more sophisticated. There are actually builders of district sets of these Notes by denomination and series! One thing remains constant: Investors and speculators will come and go, but it's the collector who ultimately determines and drives the market.

This author continues to deal in and collect data on these fascinating Notes. If you have any information, new serial number data, or just want to chat about high denomination Notes, please don't hesitate getting in touch. I'd like to thank Andrew Woodruff for his insight and contributions to this article.

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Gem Crisp Uncirculated	An almost perfect Note. Better than average margins. No aging or fading.
Choice Crisp Uncirculated	A nice new Note but not quite Gem. Centering may be a little off. May show some aging or light counting smudges or wrinkles.
Crisp Uncirculated	No trace of circulation. Can have centering problems, pin holes, counting smudges, wrinkles, close margins, or a corner tip fold (not into design).
Almost Uncirculated	(Almost new) These will be much the same as a "new" Note except for a single fold or several corner folds.
Extra Fine	Circulated; may have some folds; still has some crispness.
Very Fine	Some circulation; may show several folds and will have lost some of its crispness and color.
Fine	Well-circulated with little crispness remaining; edges may be rough.
Very Good	Will be fairly well-soiled; may be significantly worn; might have roughness around the edges with only minute problems.

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