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Series 1928 \$500 And \$1,000 Star Notes

by David Manley and Marc Michaelsen

Each area of collectable U.S. Currency contains a specific Note (or group of Notes) that is considered key or rare within that specialty area. They can be found in Nationals, Fractionals, Colonials or any other specialty area within our hobby. In the niche area of high denomination Notes, it is the Series of 1928 \$500 and \$1,000 Replacement Notes that represent the *crème de la crème*.

Series 1928 high denomination Stars are in fact so rare, they are almost "uncollectible." The only real way to collect these Notes is by Type. That is to say, one can aspire to own one representative example of a 1928 \$500 and \$1,000 Star Note. This is a very difficult venture, but it is obtainable. Any attempt to complete a Federal Reserve district set of these Notes (in either denomination) is futile. 1928 \$500 and \$1,000 Star Notes are unknown for the majority of issuing districts.

Serial number data for 1928 high denomination Stars has been provided in the last five editions of "Standard Guide To Small-Size U.S. Paper Money 1928 To Date", by Dean Oakes and John Schwartz. This "handbook" has really been one of the few sources of available information on the subject matter. As one of the special research contributors to this book (MM), it has been this author's contention (for a number of years now) that the serial number data offered is some what misleading. This is by no means intended as criticism or controversy but the reader of the "handbook" should be aware of the following:

1. In regard to 1928 \$500 and \$1,000 Star Notes the text makes reference to identical serial numbers (on numerous districts) ending in 360★ and 720★. The authors of that text have presented these serial numbers in such a fashion that the reader can easily misinterpret them as actual recorded or reported examples. In reality, these Notes have not been observed in the field. *When there was insufficient data (as in the case with these Notes) the authors plugged in BEP recorded high serial numbers.*

2. These BEP provided serial numbers (by no coincidence) are all divisible by twelve (12). 1928 high denomination Star Notes were printed on 12 subject sheets. When we see in the text the number 360★ for a particular district, it reflects the highest serial number Star printed for that district. In the case of 360★, BEP records indicate that 30 sheets of 1928 \$500 were printed for the given district. The high number on record would therefore be 360★. It's important to understand that this is BEP data and not an actual observation in the field.

3. When the reader sees eight different Stars for Series 1928 \$500s, and six of them end in 360★ and 720★ (or other numbers divisible by 12), it can be correctly concluded that only two pieces have ever been

seen publicly. Actual numbers of 1928 \$500 and \$1,000 Star Notes observed and confirmed is minuscule.

Current data indicates that there are thirteen 1928 high denomination Star Notes known. This is for all districts combined and both denominations. A further breakdown reveals two 1928 \$500 Stars and eleven 1928 \$1,000 Stars. One of these authors (DM) recently observed a new number to this census. This was a 1928 \$1,000 FRN Star, serial number B00000068★.

This "Type" (1928 high denomination Replacement Notes) changes hands so infrequently, that it's difficult to actually determine their value. Public auction records really provide us with the most valuable information. In February 2005 a 1928 \$1,000 FRN Star on St. Louis came up for auction. This lot from the "Taylor Family" collection brought \$39,100 with the buyer's fee. This is certainly recent proof of how rare and desirable these Notes are. It's also noteworthy mentioning that grade, generally, does not play a major role in valuating these Notes. They are not grade rarities but rarities in themselves. Heavily circulated examples bring five-figures plus.

Another prime example of a publicly sold 1928 high denomination Star was in September 2001 (immediately after 9/11) where a 1928 \$500 Star on Philadelphia came to auction. This serial number C00000122★ had a presale estimate of \$10-\$15K. It hammered at \$41,800 (including the buyer's fee) – certainly another example of this Type's rarity.

The most recent 1928 high denomination Star Note seen at public auction was at CAA Long Beach in September 2005. It was a 1928 \$1,000 Star on New York with fancy serial number B00000111★ and did not meet its reserve at \$54,000.

Some conclusions can certainly be drawn from the data provided. But in reality, there are probably more questions than there are answers. Why are these Notes so rare? Why are there so few around? These authors can only speculate, but the facts are that 1928 \$500 and \$1,000 FRNs represent our **first** Small Size high denomination Notes. This, along with the inherent high face value of these Notes, led to higher than usual precautions during the printing process. Increased checks during printing led to the production of fewer errors. Of course fewer error Notes resulted in the lesser need for Star Notes to "replace" them.

Regardless of why these Notes are so rare, it has become readily apparent that examples of Series of 1928 high denomination are few and far between. They are the ultra rarities. The acquisition of a two-piece Type set of these Notes, let alone the purchase of any 1928 high denomination Star Note should be considered an enviable feat.

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