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Series 1928 \$500 and \$1,000 Federal Reserve Notes

by Marc Michaelsen

In writing this article I hope to offer the reader a better understanding of our first small-sized high denomination Notes. Series 1928 high denoms are significantly different from their 1934 and 1934A counterparts. Two facts about these Notes should be readily recognized.

(1) These earlier Series 1928 high denoms circulated "hard" leaving most survivors in low-grade and/or damaged. VG-FINE examples are the norm, as are Notes with tears, pinholes, writing and rust. High-grade examples should be considered very scarce, particularly on Federal Reserve districts other than St. Louis.

(2) The print figures for Series 1928 Boston district \$500s and \$1,000s are highly deceptive. The 5th edition of "Small Size U.S. Paper Money," by Oakes and Schwartz puts the printings at roughly 69,000 and 58,000 respectively. Yet, the first 3 editions of the book valued these Notes no higher than any other district. The truth of the matter is that 1928 Boston high denoms are the cornerstone Notes. The \$500 should be considered rare. The \$1,000 FRN is prohibitively rare.

There are also some unique characteristics for 1928 \$500 and \$1,000 FRNs. Most examples are poorly "cut" with uneven margins being the norm. Well-margined, evenly margined or (even rarer) broadly margined examples are infrequently encountered. The paper quality and print quality are truly exceptional and can best be appreciated on higher-grade examples. Paper color is creamy white as opposed to the typical "dingy grey" seen on the circa WW2 1934A style paper. Inking is generally dark and sharp. Ink colors on these Notes contrast beautifully with the high quality white paper. The most significant draw however is the, unique to Series of 1928, "redeemable in gold" clause. This makes these Notes collectible both by District and by Type.

Significant seal color variations do exist for 1928 \$500s and \$1,000s. There are at least five and they range from dark "forest green" to light "olive green." The olive green is sometimes called "light green." Not alot is known about the relative rarity of these different seal color variations. There are however a few diligent researchers, including two California collectors, making serious headway in the field. There is one common misconception about these 1928 seal colors. The 1928 light green seal Notes (or more precisely, "olive green" seals) are not rare. They can be found on every district with the exception of Boston. The most frequently encountered district for the olive green seal is St. Louis. This author has handled dozens of examples, including a consecutive run of nine Uncirculated 1928 LGS "H" \$1,000s. - It appears that collecting 1928 high denoms by seal color variety will probably not hit the mainstream until more data becomes available.

Are the 1928 Boston high denoms really that rare? Just look at Currency Auctions of America's landmark high denomination Note sale, "The Taylor Family Collection" (2/05). The catalog **did not** contain a representative example of either a 1928 Boston \$500 or \$1,000. It's a true testament to the rarity of these Notes when one considers the tenacious collecting habits of the consignor and the overall depth of this catalog. The Boston Notes are very rare! Serial number data for 1928 Boston \$500s and \$1,000s has been gathered by just a few collectors and dealers (this author included). My records indicate a total of nine extant 1928 "A" \$500s and a paltry three known for 1928 "A" \$1,000s. The true importance of this is realized when one considers the number of collectors trying to complete a district set of 1928 \$500s and/or \$1,000s. The numbers of complete sets is certainly limited to the number of "A" Notes.

1928 \$500 FRNs

Within the Series of 1928 \$500 FRNs, are four, generally accepted, levels of difficulty in obtaining certain districts. These "tiers" are based on frequency of encounter.

(a) Districts G and H are the most "available" for Series 1928 \$500s. In fact, the St. Louis \$500s were hoarded in pack quantity, with two California dealers dispersing all of them some years ago. **St. Louis** is then the Type Note for 1928 \$500s. If you want a high-grade representative example of a 1928 \$500, St. Louis would be the district of choice. Other districts (even Chicago) will be valued higher.

(b) Districts B, C, D, E, F, J and L can be lumped into the next tier, and are generally observed with similar frequency. The Atlanta District is probably the toughest out of this group. Short runs of the "J" District Note have been seen in Unc.

(c) The second most difficult tier of Notes contain the "I" and "K" districts. The Minneapolis Notes are almost always poorly centered. True Gems are rare. The Dallas Note, even with it's high printing, is elusive in any Unc grade.

(d) At the top of the list is the 1928 Boston \$500. It is by far the rarest 1928 \$500 with less than a dozen survivors in all grades.

1928 \$1,000 FRNs

The frequency of encounter for various districts of 1928 \$1,000 FRNs almost mirrors the \$500 Notes.

(a) Districts G and H are most "frequently" encountered with the **Chicago** \$1,000 being the "Type Note."

(b) Districts B, C, D, E, F, J and L follow in the next group. A significant run of 1928 Richmond Uncs turned up a few years ago in the Mid-West. The "E" district should therefore be considered the "easiest" out of this grouping.

(c) Districts I and K are then the "second toughest." It is noteworthy to mention here that the Minneapolis and Dallas \$1,000s are ultra rarities in Uncirculated grade. This author has seen only three so-called Uncirculated 1928 Minneapolis \$1,000s. Of these three, only one was truly Uncirculated. My experiences with Uncirculated "K" Notes is similar. I have only seen two 1928 "K" \$1,000s in Unc. Both were in Currency Auctions of America May 2002 sale. Each was thoroughly original with deep punch through embossing. These spectacular Gems brought \$16,100 and \$23,000.

(d) The Boston District tops the list for rare 1928 \$1,000s. Only three 1928 \$1,000 FRN collections can boast completeness due to the rarity of this Note. Expect to pay well-over published common Type levels for the "A" Note. It is the rarest 1928 \$500 or \$1,000.

In conclusion, it appears that the higher-grade 1928 high denoms represent the best value. These Notes are truly undervalued when compared with high grade 1934 and 1934A \$500s and \$1,000s. Price differences for the 1928 Notes should be more significant, when you consider their lower survival rate. Expect to see some upward price movement of 1928 \$500s and \$1,000s as these Notes are avidly collected by both Fed District and Type.

This author continues to actively deal in these fascinating bills. Any new information on high denomination Note is greatly appreciated.

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