

SEA Rule 15c3-1(c)(2)(vi)(D)/01 (Money Market Funds)

A 2% haircut on money market funds can be applied on the market value of the greater of the long or short position if the following conditions are met:

1. The money market fund is registered as a fund under the Investment Company Act of 1940, and
2. The money market fund is defined as a money market fund under Rule 2(a)7 of the Investment Company Act of 1940, and
3. The price of one share of the money market fund does not vary from one dollar.

(SEC Staff to NYSE) (No. 02-7, August 2002)