THE New York Stock Exchange

INTERPRETATION MEMO

Regulation and Surveillance

Number 78-1 May 8, 1978

SUBJECT: INTERPRETATIONS OF SEC RULE 15c3-3

The accompanying HANDBOOK material includes clarifications and modifications of previously issued HANDBOOK interpretations as well as various new interpretations and amendments to SEC Rule 15c3-3 through April 30, 1978.

The reference numbers of the clarified, modified and new interpretations are as follows:

	SEC Rule 15c3-3	•
Topic	Interpretation	Page
NON-CUSTOMER Federal Reserve Bank	(a)(1)/01	1002
CUSTOMER Non-conforming Subor- dination Agreement Covering Securities	(a)(1)/02	1003
Turnarounds Return Securities Borrowed and Clean Up Fails to Deliver	(b)/06	1022
Satisfactory Control Locations Special Omnibus Account and Accommodation Transfers	(c)(7)/03	1058
Acquiring Possession or Control		
Customer vs. Customer Bona Fide Short Account	(d)/07	1064
Retention of Excess/Deficit Listing Excess/Deficit Listing	(d)/08	1064
Conversion of Securities Loa Recall to Fail to Receive	n (d)/10	1066

Topic	SEC Rule 15c3-3 Interpretation	Page
Dividend Longs, Suspense Longs and Long Differences Pre-Authorized Delivery Service (PDQ)	(d)/ll	1066
	(d)/12	1066
Reserve Bank Account Customer Credits Exceeding \$1,000,000	(e)(3)/03	1095
Customer Sales Dividend Claims	(m)/04	1341
Reserve Formula Examples of Allocations Proprietary Longs vs.	(Exh. A)/031	1383-1385
Unsecured Customer Shorts Securities Borrowed Allocated	(Exh. A)/07	1387
to Firm Bank Loan Failed to Deliver Allocated	(Exh. A)/08	1387
to Firm Bank Loan	(Exh. A)/09	1388
Netting of Balances With National Stock Clearing Corp. Repurchase, Reverse Repurchase	(Exh. A)/10	1388
and Matched Repurchase Agree- ments	(Exh. A)/11	1388
Customer Credits Netting A Customer's Non- Regulated and Regulated		
Commodity Accounts Loans Payable Unsecured Payables to	(Exh. A)(Item (Exh. A)(Item	
Subsidiaries	(Exh. A)(Item	
Prepaid Investment Advisory Fee Prepaid Customers' Commissions	s (Exh. A)(Item (Exh. A)(Item	
Customer Bank Loans Letter of Credit Secured By	·	
Customers' Securities	(Exh. A)(Item (Exh. A)(Item	
Non-Customer Bank Loans Principal Sales to DVP Customer		
Customer Securities Loaned Liquidating Deficits	(Exh. A)(Item	3)/02 1441
Customer Fails to Receive Liquidating Deficits	(Exh. A)(Item	4)/04 1461
Short Security Differences Alternative Capital Requirement	(Exh. A)(Item	7)/01 1521
Suspense Accounts Alternative Capital Requirement	(Exh. A)(Item	8)/01 1541

Topic	SEC Rule 15c3-3 Interpretation	Page
Customer Debit-Balances Spot Commodity Accounts Interest Receivable Deficits In Special Omnibus Or Similar Accounts	(Exn. A)(Item 10)/04 (Exn. A)(Item 10)/05	1582 1582
	(Exn. A)(Item 10)/06	1582
Customer Securities Borrowed Federal Reserve Bank Institutional Borrowings	(Exh. A)(Item 11)/02 (Exh. A)(Item 11)/03	1601 1601
Fails To Deliver Fail to Deliver vs. Transfer	(Exn. A)(Item 12)/06	1622
Margin Required And On Deposit With Options Clearing Corp.		
Application Proprietary Letters Of	(Exn. A)(Item 13)/01	1641
Credit OCC Margin Required by Clearing Firms from	(Exh. A)(Item 13)/02	1641
Introducing Firms Drafts Payable and Overdrafts Checks Drawn In Excess of a	(Exh. A)(Item 13)/03	1641
Bank Ballance Checks Drawn On a Credit Line	(Exh. A)(Note A)/01	1661
Account	(Exh. A)(Note A)/02	1661
Undue Concentrations Application	(Exh. A)(Note E-1)/01	1741

Filing Instructions
Changes Through April 30, 1978
Rule 15c3-3

Remove	Insert	Remove	Insert
Old Pages	New Pages	Old Pages	New Pages
1001 - 1002	1001 - 1003	1421	1421
1021 - 1022	1021 - 1022	1441	1441
1057 - 1058	1057 - 1058	1461	1461
1063 - 1064	1063 - 1066	1481	1481
1095	- 1095		1521
1341	1341		1541
1383 - 1384	1383 - 1388	1581 - 1582	1581 - 1582
1401	1401 - 1402	1601	1601
		1621	1621 - 1741
INDEX		•	
2900 - 2904	2900 - 2906		