



**N.Y. STOCK
EXCHANGE**

INTERPRETATION MEMO

IMPORTANT

New York Stock Exchange, Inc.
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Division of Member Firm
Regulatory Services

Number 85-5
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Please Route to Chief Executive, Financial and
Operations Officers/Partners

To: Members, Member Organizations and Handbook Subscribers

Subject: Clarification of interpretation on securities borrowed
allocating to a control location under SEC Rule 15c3-3
Reserve Formula Computation

The SEC has advised us that the interpretations to Rule 15c3-3 Exhibit A /03, pages 1382, 1383 and 1385, allowing stock borrowed positions allocating to a control location to be included as a debit item in the Formula was not intended to apply to securities borrowed for purposes other than to clean-up fail to deliver resulting from a customer related fail to receive or a customer short position.

The clarification of this interpretation may require some member organizations to amend programs and procedures and may affect some firms' customer reserve deposit requirements.

Member organizations must carefully consider the effect of this change and promptly consult with their Coordinator if they have questions regarding this interpretation.

The accompanying handbook material pages have been revised to reflect the interpretations expressed above.

<u>Page</u>	<u>SEC Rule 15c3-3 Interpretation</u>	<u>Subject</u>
1382 and 1382-1	Reserve Formula Exhibit A Allocation	Securities borrowed allocating to a control location.
1385	Note (6) to Exhibit A of Reserve Formula	Securities borrowed.

Filing Instructions

Rule 15c3-3

Remove Old Pages

1381 - 1382
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Replace New Pages

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