

Interpretation Memo

NYSE

New York
Stock Exchange, Inc.

Member Firm Regulation

20 Broad Street
New York, NY 10005

Number 91-7
July 9, 1991

TO: MEMBERS AND MEMBER ORGANIZATIONS

ATTENTION: CHIEF EXECUTIVE, FINANCIAL, AND OPERATIONS
OFFICERS/PARTNERS

SUBJECT: OVERDRAFTS, ZERO BALANCE CHECKING ACCOUNTS AND
FUNDS WIRED FROM SEG-OFFSET ACCOUNTS

SEC advised that book overdrafts in zero balance or overdraft checking accounts incurred in connection with Seg-Offset activities need not be included as credit items in the reserve formula computation under Rule 15c3-3a provided that written assurance has been obtained from the bank, by the broker-dealer, that there are no cross liens to customer related collateral or any other accounts with the bank.

However, credit balances must be included in the Reserve Formula if any of the checks or drafts drawn on these accounts are:

Payable to customers or broker-dealers;

Paid in connection with a securities transaction; or

Deposited in another bank account unless only wired funds are paid out of the receiving account.

Questions and comments should be directed to your organization's finance coordinator.

Attached are updated handbook pages which are being distributed as replacements for existing pages. The following should be carefully reviewed before insertion into the handbook.

SEC Rule 15c3-3

<u>Page & Reference</u>	<u>Subject</u>
673, 15c3-3 (Exh. A) (Note A) /014	Zero Balance or Overdraft Bank Accounts For Checks Issued to Vendors
674, 15c3-3 (Exh. A) (Note A) /015	Zero Balance or Overdraft Accounts used in connection with Seg-Offset Accounts
674, 15c3-3 (Exh. A) (Note A) /02	Funds wired from "Seg-Offset" Accounts

Remove Pages
672 - 673

Add Pages
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