

# Interpretation Memo

NYSE

New York  
Stock Exchange, Inc.

Member Firm Regulation

20 Broad Street  
New York, NY 10005

Number 92-10  
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PLEASE ROUTE TO FINANCIAL AND OPERATIONS OFFICER/PARTNER  
AND COMPLIANCE DEPARTMENT

TO: MEMBER, MEMBER ORGANIZATIONS AND HANDBOOK SUBSCRIBERS

SUBJECT: UPDATE OF INTERPRETATION HANDBOOK - SEA RULE 15c3-3

The accompanying updated handbook pages are being distributed as replacements for existing pages. This update includes:

INTERPRETATIONS:

- . The addition of several interpretations and revisions of existing interpretations for clarification, editorial and/or format changes. See listings provided below. Interpretations numbered /01 relating to Exhibit A Items 1-13 may represent general interpretations intended to provide a brief overall description of the Reserve Formula line item, followed by other applicable interpretations numbered sequentially.
- . Inserts for ten interpretations which were previously published in Interpretation Memos 88-18, 91-5 and 92-1 and Information Memo 88-10 without revised pages. See listing provided below.

ALLOCATION CHART:

- . A revised allocation chart and updated Notes to the Reserve Formula Allocation. The revised chart includes references to footnotes and the relevant Reserve Formula line item interpretations.

INDEX:

- . Updated and cross-referenced index to provide easier access to 15c3-3 subparagraphs and interpretations.

The following is a listing of interpretations which are being added:

<u>Page &amp; Reference</u>	<u>Subject</u>
625, (Exh. A)(Item 1)/06	Customer Payments Prior to Settlement Date
627, (Exh. A)(Item 1)/12	Principal Transactions with Customers
637, (Exh. A)(Item 2)/06	Offset Debit for Customers' Uncleared Checks Not Permitted
649, (Exh. A)(Item 8)/01	Suspense Accounts
656, (Exh. A)(Item 10)/02	Estate Account Debit Balances
670, (Exh. A)(Item 12)/081	Fail to Deliver Not Allocable to Customers

The following is a listing of interpretations which were revised for clarification, editorial and/or format changes:

<u>Page &amp; Reference</u>	<u>Subject</u>
610, (Exh. A) /06	Subjecting Customers' Securities to Cross Liens Prohibited
636, (Exh. A)(Item 2)/04	Letters of Credit Secured by Customers' Securities, Collateralizing Securities Borrowed
638, (Exh. A)(Item 2)/10	Customers' Securities Not to Be Subjected to Cross Liens
642, (Exh. A)(Item 3)/02	Securities Loaned Allocation Method
642, (Exh. A)(Item 3)/03	Securities Loans Not Allocable to Customers
644, (Exh. A)(Item 4)/05	Fail to Receive of Government Securities, Commercial Paper, Bankers Acceptances and Certificates of Deposit
644, (Exh. A)(Item 4)/06	Fail to Receive Allocation Method

645 (Exh. A)(Item 4)/07	Fail to Receive Not Allocable to Customers
650, (Exh. A)(Item 9)/02	Confirmed Transfer
655, (Exh. A)(Item 10)/016	Household Members, Relatives and Affiliated Persons of the B/D
655, (Exh. A)(Item 10)/017	Debit Balances in Excess of \$50,000
656, (Exh. A)(Item 10)/018	Customer and Non-Customer Interest in a Single Account
656, (Exh. A)(Item 10)/019	Partial Identification of Debits with Credits in the Formula
662, (Exh. A)(Item 11)/02	Securities Borrowed Allocation Method
663, (Exh. A)(Item 11)/03	Securities Borrowed Not Allocable to Customers
669, (Exh. A)(Item 12)/07, /071	Fail to Deliver Allocations
675, (Exh. A)(Item 13)/03	Letters of Credit Secured by Customer and Non-Customer Securities

The following is a listing of interpretations which were previously published without revised pages:

624, (Exh. A)(Item 1)/022	Customer Balances Related to Foreign Futures and Options Transactions
626, (Exh. A)(Item 1)/07	Accrued Interest Payment on Customers' Credit Balance
626, (Exh. A)(Item 1)/09	Retail Customers' Purchasing Reverse Repurchase Agreements
626, (Exh. A)(Item 1)/10	Hold-In Custody Reverse Repos Purchased By Customers Lacking Proper Documentation
627, (Exh. A)(Item 1)/11	Customers Purchasing Commercial Paper

632, (Exh. A) (Item 1)/26	The term "Any Other Accounts" Defined
659, (Exh. A) (Item 10)/07	Debits in Customers' Accounts Collateralized by Control or Restricted Stock
674, (Exh. A) (Item 13)/012	Commingled Collateral As Options Clearing Corp Margin Deposit

Remove Pages

401  
561 - 677  
9101 - 9103

Add Pages

401  
561 - 675  
687 - 698

Questions regarding this interpretation memo should be directed to your Finance Coordinator.

RETAIN ALL INTERPRETATION/INFORMATION MEMOS FOR FUTURE REFERENCE