

August 29, 1985

BOWMAN & COMPANY

111 CENTER STREET, SUITE 302

LITTLE ROCK, ARKANSAS 72201-2413

Securities and Exchange Commission

500 N. Capitol St. NW

Washington, D. C. 20549

Gentlemen:

This firm is an SEC registered (File No. 8-33023). NASO member (N. D. No. 15983) broker/dealer primarily engaged in the purchase and sale of U. S. government securities to institutional investors.

We are presently clearing our wireable securities transactions through FirstSouth, F. A. of Pine Bluff, Arkansas (Federal Home Loan Bank Board No. 2827) which maintains an account with the Federal Reserve Bank of St. Louis, Little Rock Branch. Additionally, we are safekeeping our customers fully-paid securities in our account with FirstSouth.

During a recent routine examination by the NASO, it was pointed out that a savings and loan association is not specifically referenced in Rule 15c3-3 (c) (1) through (6) as being a control location.

This firm hereby requests an interpretation of Section 3 (a) 6 of the Act as it applies to c (1) allowing a federally chartered savings and loan association to be considered a control location.

Very truly yours,

Catherine Risinger

Compliance Officer

cc/NASD

November 13, 1985

Ms. Catherine Risinger

Compliance Officer

Bowman & Company

111 Centre Street, Suite 302

Little Rock, Arkansas 72201-2413

Dear Ms. Risinger:

This is in response to your letter dated August 29, 1985, in which you request, on behalf of Bowman & Company, an interpretation of Rule 15c3-3, the customer protection rule, under the Securities Exchange Act of 1934 ("the Act") (17 CFR §240.15c3-3). Specifically, you inquire as to whether a federally chartered savings & loan association can be considered a good control location pursuant to paragraph (c) of the Rule.

I understand the pertinent facts to be as follows: Bowman & Company is a registered broker-dealer primarily engaged in the purchase and sale of government securities. You are safekeeping your customers fully paid securities in an account with FirstSouth F.A., a federally chartered savings & loan association and a member of the Federal Reserve Bank of Saint Louis.

Paragraph (c) of Rule 15c3-3 provides all the control locations that could be deemed as a good control location for purposes of the customer protection rule. One of these locations are banks as defined in section 3(a)(6) of the Act. Section 3(a)(6) defines banks as follows:

" ... (A) a banking institution organized under the laws of the United States, (B) a member bank of the Federal Reserve System, (C) any other banking institution, whether incorporate or not, doing business under the laws of any State or of the United States, a substantial portion of the business of which consists of receiving deposits or exercising a fiduciary power similar to those permitted to national banks under section 11 (k) of the Federal Reserve Act, as amended, and which is supervised and examined by State or Federal authority having supervision over banks, and which is not operated for the purpose of evading the provisions of this

title, and (D) a receiver, conservator, or other liquidating agent of any institution or firm included in clauses (A)(B)(C) of this paragraph." FirstSouth F.A., a federally chartered savings and loan association, does not meet the definition of bank in section 3(a)(6) of the Act. Therefore, it cannot be considered a good control location for purposes of the customer protection rule.

Thus, we are unable to grant your request for a no action position with respect to this issue.

I hope this is responsive to your inquiry. Please contact us if we can be of further assistance.

Sincerely,

Antonio J. Santos

Staff Attorney

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