

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

DIVISION OF

MARKET REGULATION

September 22, 1988

Charles A. Blanchard, Esquire

Hunton & Williams

707 East Main Street

P.O. Box 1535

Richmond, Virginia 23212

Dear Mr. Blanchard:

This will acknowledge receipt of your letter dated June 28, 1988 to Mr. John Rioux of this office. In that letter, you ask whether a savings and loan association is a good control location under Securities Exchange Act Rule 15c3-3 (17 C.F.R. §240.15c3-3) for pooled certificates of deposit it has issued.

As a general rule, savings and loan associations are not good control locations. However, based upon the circumstances, the Division will recommend no action to the Commission if a broker-dealer treats a savings and loan association as a good control location for pooled certificates of deposit the savings and loan association has issued under the following circumstances. The pooled certificates of deposit must be in the custody or control of the savings and loan association and the delivery of the certificates of deposit to the broker-dealer must not require the payment of money or value. In addition, the savings and loan association must acknowledge in writing that the certificates of deposit under its control are not subject to any right, charge, security interest, lien or claim of any kind in favor of the savings and loan association or any person claiming through the savings and loan association.

As Mr. Rioux advised Mr. Tom Duckenfield of your office, this position is issued by the Division solely for the purpose of determining whether the certificates are located at a good control location. This letter does not address the issue of whether the broker-dealer involved is required to register as an investment company, nor does it address other related questions. As Mr. Rioux advised Mr. Duckenfield, you should contact the SEC's Division of Investment Management to answer this genre of issues.

You should understand that the position expressed herein is a staff position with respect to enforcement only and does not purport to express any legal conclusion on this matter. The Division's position is necessarily confined to the facts as represented herein.

Sincerely,

Arvind K. Lal

Staff Attorney

Text converted by optical character recognition (OCR) of scanned document.
May not accurately reflect original document.