

UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C.
20549 March 6, 1986

Mr. G. T. Becker

Operations Partner

Wayne Hummer & Co.

175 West Jackson Boulevard Chicago, Illinois 60604-2884

Dear Mr. Becker;

This is in response to your letters of July 16, 1984 and October 1, 1985, requesting on behalf of Wayne Hummer & Co. ("Hummer"), the Division's approval of a general partner as a good control location for purposes of Rule 15c3-3 under the Securities Exchange Act of 1934 (17 CFR@ 240.15c3-3).

The pertinent facts as I understand them are as follows: Hummer, a registered broker-dealer, has been approved as a custodian for self-directed retirement plans. Some of the participants in these plans have expressed interest in purchasing units of limited partnerships. These limited partnerships are required to be registered pursuant to the Securities Act of 1933. The general partnership will not issue certificates evidencing ownership of the limited partnership units, but rather upon the submission of an accepted subscription agreement, Hummer will receive a confirmation and acknowledgement from the general partner. Thus, you request that the Division designate the general partner as a good control location for purposes of Rule 15c3-3.

The limited partnership units are securities, which if carried by a broker-dealer for the account of a customer, must be in the broker-dealer's possession or control pursuant to paragraph (b) of Rule 15c3-3. Generally, if no certificate is issued by the general partner, the broker-dealer could not have possession or control of the units. The fact that the customer's security position is noted on the books of the general partner is not sufficient under Rule 15c3-3 to establish control by the broker-dealer of the units.

The Division, however, will raise no question nor recommend any action to the Commission if Hummer treats the general partner as a good control location for

purposes of Rule 15c3-3(c)(7) if it adheres to the following: (1) the limited partnership must be currently registered with the Commission pursuant to the Securities Act of 1933; (2) Hummer must carry such investments "long" in customers' accounts; (3) Hummer must reflect separately for the securities of each limited partnership all positions in its securities records or ledgers maintained pursuant to Rule 17a-3 under the Securities Exchange Act, (4) Hummer must not be aware of any substantial problems of an operational nature which the partnership may be experiencing and which may endanger the interests of the customer.

I trust this is responsive to your request. Should you have any questions, please call us.

Sincerely,

Julio A. Mojica

Branch Chief

July 16, 1984

Securities and Exchange Commission

500 North Capitol Street Washington D.C. 20549

ATTENTION: MICHAEL MACCHIAROLI

Dear Mr. Macchiaroli:

We are requesting an interpretation regarding 15c3-3 (c) - control of securities, or approval of a control location.

We are an approved custodian for self directed retirement plans. Some of the participants in these plans have expressed interest in purchasing units in limited partnerships intended to serve as an investment vehicle for entities intended to be exempt from Federal income taxation.

Balcor/American Express Inc. sponsors periodically such partnerships. Enclosed is a prospectus for one current offering.

Since registration of such limited partnerships interests is required, we believe they qualify as "securities" for purposes of 15c3-3. Will you confirm this statement?

Upon submission of the subscription agreement, if accepted, we will receive a confirmation and acknowledgement. The general partnerships will not issue certificates. Therefore, in order to comply with "custody and control" we are requesting that the SEC approve as a good control location the general partner. We will establish an account on our books and records.

Very truly yours,

WAYNE HUMMER & CO.

G. T. (Ted) Becker

Operations Partner

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