

X-8096

T E L E G R A M
FEDERAL RESERVE BOARD
WASHINGTON

October 23, 1934

STEVENS

CHICAGO

Referring to your letter of October 17 and question submitted by the Chicago Stock Exchange in letter to you dated October 16. Ruling No. 11 interpreting Regulation T does not enlarge meaning of term "net withdrawal" as defined in Regulation T so as to make it necessary in ascertaining existence of "net withdrawal" to include market value of unregistered non-exempted securities withdrawn from a restricted new account. Ruling No. 11 dealt with old accounts and in particular with third proviso of section 7(a) of regulation which specifies conditions under which creditor may permit customer to withdraw money and/or securities and does not mention or involve "net withdrawal" as defined in the regulation.

(Signed) Chester Morrill
MORRILL