



BOARD OF GOVERNORS  
OF THE  
FEDERAL RESERVE SYSTEM  
WASHINGTON

S-67 365  
Reg. T-68

ADDRESS OFFICIAL CORRESPONDENCE  
TO THE BOARD

January 19, 1938.

Dear Sir:

There is attached a copy of a ruling which will be published in the Federal Reserve Bulletin regarding "Special Miscellaneous Account Under Revised Regulation T." If you deem it advisable you may send copies of this ruling to any national securities exchanges in your district and advise them of the fact that it will appear in the Bulletin.

Very truly yours,

L. P. Bethea,  
Assistant Secretary.

Inclosure.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS

S-67-a  
Reg. T-68

Special Miscellaneous Account Under  
Revised Regulation T

Section 4(f)(4) of revised Regulation T provides for a special miscellaneous account in which, subject to certain conditions, money or securities may be received from or for any customer and paid out or delivered to or for the customer without regard to his general account. Section 4(a) of the regulation provides that if a customer has with a creditor both a general account and one or more special accounts, the creditor shall treat each special account as if the customer had with the creditor no general account.

The Board recently considered a case in which a member of a national securities exchange demanded additional margin of a customer, the additional margin being demanded because of declines in the market value of the securities in the customer's general account and not because of any transaction in the account. In other words, the margin was demanded merely for the broker's own protection and not because of any requirement of the regulation. The question presented was whether cash deposited by the customer in response to such a demand for margin may, without violation of the regulation, be placed in a special miscellaneous account. The Board expressed the view that such a deposit of cash in the special miscellaneous account would not constitute a violation of Regulation T.