

Regulatory Circular 95-33

DATE: April 12, 1995
TO: The Membership
FROM: Department of Financial Compliance
RE: Joint Account Liability

The purpose of this memorandum is to clarify the liability of participants in an Exchange approved joint account. This has been the subject of several inquiries from members.

It is the view of the Exchange that members of a joint account are jointly and severally responsible for any liabilities of the account. Therefore, if a joint account goes into deficit, the clearing firm carrying the account may look to any individual member of the account for repayment of the deficit. Participants in the account would also be jointly and severally liable for any debts which the account may have with other members of the Exchange, regardless of any indemnification agreements among the joint account participants. Indemnification agreements among joint account participants do not bind the clearing firm which carries the joint account, or any other member creditors. In addition, the granting of non-aggregation for position and exercise limit purposes does not affect a joint account participant's liability.

Questions regarding this circular should be directed to Rich Lewandowski at 786-7183 or Steve O'Malley at 786-7925.