

## **RULE 27**

### **DEALER MEMBERS' RIGHTS RESPECTING CLIENTS' INDEBTEDNESS**

- 27.1 Whenever a client is indebted to a Dealer Member all securities held by such Dealer Member for or on account of such client shall (subject to the provisions of Form 1, Schedule 4, Note 8 and to the provisions of any agreement between the Dealer Member and the client) be, to an amount reasonably sufficient to secure said indebtedness, collateral security for the payment of such indebtedness as may exist from time to time and such Dealer Member shall have the right from time to time, in its discretion, to raise money on such securities and to carry such securities in its general loans, and to pledge and repledge such securities in such manner and to such reasonable amount and for such purpose as it may deem advisable; and if such Dealer Member shall deem it necessary for its protection it shall have the right, in its discretion, to buy any or all securities of which such client's account may be short or sell any or all securities held for or on account of such client and, without in any way restricting the foregoing, shall have the right to recover from such client the amount of the indebtedness or any part thereof remaining unpaid, either with or without realization of the whole or any part of the securities.

