

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**SECURITIES EXCHANGE ACT OF 1934**  
**Release No. 58035 / June 26, 2008**

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<b>In the Matters of</b>	:	
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<b>Bear Wagner Specialists LLC</b>	:	
<b>Admin. Proc. File No. 3-11445</b>	:	
<b>Fleet Specialist, Inc.</b>	:	
<b>Admin. Proc. File No. 3-11446</b>	:	
<b>LaBranche &amp; Co. LLC</b>	:	<b>ORDER APPROVING A</b>
<b>Admin. Proc. File No. 3-11447</b>	:	<b>DISTRIBUTION,</b>
<b>Spear, Leeds &amp; Kellogg Specialists LLC</b>	:	<b>AUTHORIZING</b>
<b>Admin. Proc. File No. 3-11448</b>	:	<b>DISBURSEMENT OF FUNDS,</b>
<b>Van der Moolen Specialists USA, LLC</b>	:	<b>MODIFYING PRIOR ORDER,</b>
<b>Admin. Proc. File No. 3-11449</b>	:	<b>AND MODIFYING DISTRIBUTION</b>
<b>Performance Specialist Group LLC</b>	:	<b>PLAN</b>
<b>Admin. Proc. File No. 3-11558</b>	:	
<b>SIG Specialists, Inc.</b>	:	
<b>Admin. Proc. File No. 3-11559</b>	:	
	:	
<b>Respondents.</b>	:	

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**I.**  
**FACTS**

1. In March and July 2004, the Commission entered into settlements with the seven specialist firms operating on the New York Stock Exchange. The Commission's orders (Securities Exchange Act Release Nos. 49498 – 49502 and Nos. 50075 – 50076) (the "Settlement Orders") provided, among other things, for payment of disgorgement and civil penalties totaling, in the aggregate, over \$247 million. The Settlement Orders further provided that the disgorgement and civil penalties were to be placed in seven Fair Funds (the "Distribution Funds") to be distributed pursuant to a distribution plan (the "Plan") drawn up by a fund administrator. Heffler, Radetich & Saitta L.L.P. ("Heffler") was appointed the fund administrator in October 2004.

2. On May 17, 2006, the Commission issued an order (the "May 2006 Order") approving Heffler's Plan. Pursuant to the Plan, Heffler must identify the customers who were injured as a result of the previously identified violative trades, calculate each injured customer's

distribution amount – which is the sum of the disgorgement amount, and the prejudgment and post-judgment interest thereon – and make distributions to the injured customers. The distributions are to be made on a rolling basis. The May 2006 Order and the Plan were modified by a Commission order dated June 15, 2007, which extended the initial termination date of the Distribution Funds from December 31, 2006 to June 30, 2008.

3. Pursuant to previous Commission orders, Heffler has thus far made four distributions under the Plan, totaling, in the aggregate, over \$120 million.

a. The initial distribution was made on July 19, 2006, pursuant to a Commission Order dated July 5, 2006. This initial distribution involved a total disbursement of \$52,732,921.43, which was comprised of \$42,082,144.95 in disgorgement, \$6,101,253.76 in prejudgment interest, and \$4,549,522.72 in post-judgment interest.

b. On November 30, 2006, Heffler made a second rolling distribution under the Plan, pursuant to a Commission Order dated November 24, 2006. This second distribution involved a total disbursement of \$42,765,263.59, which was comprised of \$33,548,991.43 in disgorgement, \$4,942,721.04 in prejudgment interest, and \$4,273,551.12 in post-judgment interest.

c. On June 19, 2007, Heffler made a third rolling distribution under the Plan, pursuant to a Commission Order dated June 15, 2007. This third distribution involved a total disbursement of \$14,305,053.02, which was comprised of \$10,923,205.08 in disgorgement, \$1,606,357.24 in prejudgment interest, and \$1,775,490.70 in post-judgment interest.

d. On December 19, 2007, Heffler made a fourth rolling distribution under the Plan, pursuant to a Commission Order dated December 12, 2007. This fourth distribution involved a total disbursement of \$10,733,490.40, which was comprised of \$7,935,062.94 in disgorgement, \$1,267,325.27 in prejudgment interest, and \$1,531,102.19 in post-judgment interest.

4. Heffler has notified the staff that it is now prepared to make a fifth distribution in this matter. Section III of the Plan provides that the Commission must approve all distributions to injured customers.

5. In accordance with the Plan, Heffler has submitted, for Commission approval, a report dated June 9, 2008 (the “Distribution Report”), identifying the injured customers who will receive a distribution check, and their distribution amount, with respect to the fifth rolling distribution in this matter. This fifth distribution involves a total disbursement of \$2,885,895.39, comprised of \$2,069,722.41 in disgorgement, \$354,784.94 in prejudgment interest, and \$461,388.04 in post-judgment interest. The Plan calls for post-judgment interest on each transaction to be calculated starting from the day following the entry of the Settlement Orders and ending on the date of distribution. For purposes of calculating the post-judgment interest in this distribution, Heffler has selected June 30, 2008, as the date of distribution.

6. Heffler has also submitted a schedule of estimated printing and mailing costs (the “Distribution Costs”) that will be incurred in connection with this fifth distribution, and has

requested that the Commission authorize a member of the Enforcement staff at or above the level of Associate Regional Director at the Commission's New York Regional Office (the "SEC Representative") to approve the advance payment of such costs. The Distribution Costs are estimated at \$6,450. Citizens Bank of Pennsylvania ("Citizens Bank"), the escrow agent and disbursing agent in this matter, has also requested that the Commission authorize the SEC Representative to approve the payment of estimated banking fees (the "Bank Fees") as they relate to the fifth distribution when they are incurred. Citizens Bank had previously provided the staff with an estimate of Bank Fees amounting to \$38,220 for services in connection with processing the first 500,000 checks issued in the distributions.

7. In the Plan, as previously modified by the Commission's June 15, 2007 Order, Heffler proposed June 30, 2008, as the termination date of the Distribution Funds, with the proviso that "such date may be subsequently amended in light of Heffler's recommendation for periodic distributions, which is based on future responses received from Clearing Members and Nominees." The Plan provides that Heffler will continue to work with the clearing member firms and nominees to identify the injured customers, and when Heffler determines that "efforts to identify the Injured Customers have been exhausted," it will submit a final report to the Commission recommending that the Distribution Funds be terminated.

8. Heffler has notified the staff that while Heffler's efforts to identify injured customers are nearing exhaustion, Heffler continues to receive responses from clearing member firms and nominees identifying injured customers. As such, Heffler may need to make an additional distribution in the near future. In addition, pursuant to the Plan, injured customers receiving a check as part of the fifth distribution will have 180 days from the date of issuance, or until December 30, 2008, to negotiate the same. Finally, Heffler has informed the staff that Heffler will require a certain amount of time to finalize and close out the Distribution Funds after all the payments, including payments associated with any future distribution, have been made. Accordingly, Heffler has requested that the Commission further modify the May 2006 Order and the Plan to extend Heffler's proposed date of termination of the Distribution Funds to June 30, 2009, or such other date as ordered by the Commission.

## **II.**

In view of the foregoing, it is ORDERED that:

1. The fifth rolling distribution, and the corresponding disbursement, of \$2,885,895.39 in accordance with the Distribution Report submitted by Heffler, are hereby approved and authorized.

2. The SEC Representative is hereby authorized to approve the advance payment of the Distribution Costs, and authorized to approve the payment of the Bank Fees as they are incurred in connection with this fifth distribution. Heffler and Citizens Bank shall provide adequate supporting documentation for the Distribution Costs and the Bank Fees, respectively, to the SEC Representative. Any disbursements from the Fair Funds with respect to Distribution Costs and Bank Fees shall be made only upon the written authorization of the SEC

Representative to Citizens Bank followed by a verbal confirmation from the SEC Representative of such written authorization.

3. The May 2006 Order and the Plan are hereby further modified to extend Heffler's proposed date of termination of the Distribution Funds to June 30, 2009, or such other date as may be further ordered by the Commission.

By the Commission.

Florence E. Harmon  
Acting Secretary