

UNITED STATES OF AMERICA
BEFORE THE
SECURITIES AND EXCHANGE COMMISSION

SECURITIES EXCHANGE ACT OF 1934
Release No. 52136 / July 27, 2005

ADMINISTRATIVE PROCEEDING
File No. 3-11771

In the Matter of	:	
	:	
	:	ORDER MODIFYING PRIOR
	:	ORDER, EXTENDING PERIOD OF
Knight Securities, L.P.	:	TIME GRANTED TO THE
	:	INDEPENDENT DISTRIBUTION
	:	CONSULTANT TO SUBMIT
	:	DISTRIBUTION PLAN
Respondent.	:	

I.

FACTS

1. On December 16, 2004, the Securities and Exchange Commission (“Commission”) issued an Order Instituting Administrative and Cease-and-Desist Proceedings, Making Findings and Imposing Remedial Sanctions Pursuant to Sections 15(b)(4) and 21C of the Securities Exchange Act of 1934 (“December 16 Order”) against Knight Securities, L.P. (“Knight”).¹ The December 16 Order directed Knight, among other things, to pay disgorgement in the amount of \$41,146,663.50, prejudgment interest in the amount of \$13,195,068 and a civil penalty in the amount of \$12,500,000.

2. The December 16 Order further directs that the civil penalty shall be added to a Fair Fund to be distributed pursuant to a distribution plan drawn up by an Independent Distribution Consultant not unacceptable to the staff of the Commission. In accordance with the provisions of the December 16 Order, on December 30, 2004, Knight made payments totaling \$66,841,731.50 into an interest bearing escrow account at a federally insured banking institution with deposits of not less than \$100 billion pursuant to an escrow agreement not unacceptable to the staff of the Commission. Additionally, on April 27, 2005, Knight retained Heffler, Radetich & Saitta, L.L.P. (“HR&S”) as the Independent Distribution Consultant pursuant to the provisions of the December 16 Order.

¹ Knight, now known as Knight Equity Markets, L.P., is a registered broker-dealer headquartered in Jersey City, New Jersey.

3. Among other things, the December 16 Order directed that Knight require HR&S to “submit a Distribution Plan for the administration and distribution of disgorgement and penalty funds pursuant to Rule 1101 of the Commission’s Rules of Practice [17 C.R.F. §201.1101]” within 175 days of the entry of the December 16 Order. For good cause, HR&S has requested an extension of 100 days to submit the Distribution Plan.

II.

In view of the foregoing, it is ORDERED that:

1. Within 100 days following the expiration of the 175-day period stated in Section VI.6.d of the December 16 Order, HR&S shall submit a Distribution Plan, for approval by the Commission, for the administration and distribution of disgorgement and penalty funds.

2. The staff of the Division of Enforcement may extend, for good cause shown, the 100-day extension provided for herein by a period not to exceed 45 days if it determines that HR&S requires such additional time.

By the Commission.

Jonathan G. Katz
Secretary