UNITED STATES OF AMERICA
Before the
SECURITIES AND EXCHANGE COMMISSION

SECURITES EXCHANGE ACT OF 1934
Release No. 54102 / July 5, 2006

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

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 Fair 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.

3. The May 2006 Order and the Plan provide that payments of post-judgment interest are subject to the receipt of proper tax documentation.

4. Heffler has informed the staff that if adequate tax documentation is not received, payments of post-judgment interest can still be made but are subject to tax withholding. Heffler has also informed the staff that payment of disgorgement and prejudgment interest is likewise contingent on the receipt of adequate tax documentation or subject to applicable tax withholding. If taxes are withheld, Heffler must notify the injured customer that their distribution amount is net of applicable withholding taxes. Accordingly, Heffler has requested that the Commission modify the May 2006 Order and the Plan to provide that Heffler is required, under the Internal Revenue Code, to withhold applicable taxes from payments of disgorgement, prejudgment interest, and post-judgment interest, unless Heffler has received adequate tax documentation from, or on behalf of, the injured customer prior to making such payment, and, further, Heffler is required to notify the payee of such withholding, if any.

5. The Plan provides that the Distribution Funds will be subject to an independent audit if the funds have not been entirely distributed by June 30, 2006, or such other date as ordered by the Commission.

6. Heffler has notified the staff that, based on present estimates, the funds will be fully or nearly fully distributed within a year following the first rolling distribution, which is ready to be made. Accordingly, Heffler has requested that the Commission modify the Plan to extend the date on which the Distribution Funds will be subject to an independent audit to June 30, 2007, or such other date as ordered by the Commission.

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

8. In accordance with the Plan, Heffler has submitted, for Commission approval, a report dated June 23, 2006 (the "Distribution Report"), identifying the injured customers who will receive a distribution check, and their distribution amount, with respect to the first rolling distribution in this matter. This initial distribution involves a total disbursement of $52,732,921.43, comprised of $42,082,144.95 in disgorgement, $6,101,253.76 in prejudgment interest, and $4,549,522.72 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 July 19, 2006, as the date of distribution.

9. Heffler has also submitted a schedule of estimated printing and mailing costs (the "Distribution Costs") that will be incurred in connection with this initial 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 Northeast Regional Office in New York (the

"SEC Representative") to approve the advance payment of such costs. The Distribution Costs are estimated at $75,000. Separately, Citizens Bank of Pennsylvania, the escrow agent and disbursing agent in this matter, has submitted a schedule of estimated banking fees (the "Bank Fees") that will be incurred in connection with the initial distribution, and has requested that the Commission authorize the SEC Representative to approve the payment of such fees when they are incurred. The Bank Fees are estimated at $38,220.

II.

In view of the foregoing, it is ORDERED that:

1. The May 2006 Order and the Plan are hereby modified to provide that Heffler is required, under the Internal Revenue Code, to withhold applicable taxes from payments of disgorgement, prejudgment interest, and post-judgment interest, unless Heffler has received adequate tax documentation from, or on behalf of, the injured customer prior to making such payment, and, further, Heffler is required to notify the payee of such withholding, if any.

2. The Plan is hereby modified to provide that the Distribution Funds will be subject to an independent audit if the funds have not been entirely distributed by June 30, 2007, or such other date as ordered by the Commission.

3. The initial distribution of $52,732,921.43, in accordance with the Distribution Report submitted by Heffler, is hereby approved.

4. 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 initial 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.

By the Commission.

Nancy M. Morris
Secretary