

Commodity Futures Trading Commission
CEA CASES

NAME: BACHE & CO. INCORPORATED, HAROLD L. BACHE, AND ROBERT C. HALL

DOCKET NUMBER: 147

DATE: OCTOBER 13, 1967

DOCUMENT TYPE: COMPLAINT

UNITED STATES DEPARTMENT OF AGRICULTURE

BEFORE THE SECRETARY OF AGRICULTURE

In re: Bache & Co. Incorporated, Harold L. Bache, and Robert C. Hall,
Respondents

CEA Docket No. 147

Complaint and Notice of Hearing Under Section 6(b) of the Commodity Exchange Act

There is reason to believe that the respondents, Bache & Co. Incorporated, Harold L. Bache and Robert C. Hall, have violated the Commodity Exchange Act (7 U.S.C. 1 et seq.) and the regulations made pursuant thereto (17 CFR, Part I), and in accordance with the provisions of section 6(b) of the said act (7 U.S.C. 9), this complaint and notice of hearing is issued stating the charges in that respect as follows:

I

Respondent Bache & Co. Incorporated is now and was at all times when it is mentioned herein a Delaware corporation with its principal office and place of business at 36 Wall Street, New York, New York, and a registered futures commission merchant under the Commodity Exchange Act. The said corporation is the successor of Bache & Co., a dissolved partnership. Substantially all of the assets of the said partnership were transferred to and its liabilities assumed by respondent Bache & Co. Incorporated on January 31, 1965. At all times material herein through January 31, 1965, the said partnership

was a registered futures commission merchant under the Commodity Exchange Act with its principal office and place of business at 36 Wall Street, New York, New York.

II

Respondent Harold L. Bache, an individual whose business address is 36 Wall Street, New York, New York, was at all times material herein through January 31, 1965, the directing partner of Bache & Co., the partnership, and is now and was at all times material herein subsequent to January 26, 1965, Chairman of the Board of Directors and Chief Executive Officer of respondent Bache & Co. Incorporated.

III

Respondent Robert C. Hall, an individual whose business address is 36 Wall Street, New York, New York, was at all times material herein through January 31, 1965, a general partner in Bache & Co., the partnership, and is now and was at all times material herein subsequent to January 26, 1965, Treasurer and Vice President of respondent Bache & Co. Incorporated.

IV

The operations and transactions of the respondent corporation, hereinafter described, were ordered and directed by, or carried out under the supervision and control of, respondent Harold L. Bache and respondent Robert C. Hall, acting in their capacities as officers of the respondent corporation.

V

At all times between May 2, 1966, and September 3, 1966, the respondent corporation, acting in its capacity as futures commission merchant, carried accounts for customers who traded in commodity futures subject to the provisions of the Commodity Exchange Act and regulations, and had to its credit with banks, or other depositories, money and securities in varying amounts, held in segregated accounts and identified as customers' funds, representing deposits of margin by and trading profits belonging to such customers.

VI

Under the regulations issued pursuant to the Commodity Exchange Act the respondent corporation was obligated during the period specified in paragraph V to prepare and maintain a daily computation and record setting forth the amount of money, securities and property of its customers required to be held, and held, in segregated accounts in accordance with the requirements of section 4d(2) of the Commodity Exchange Act (7 U.S.C. 6d(2)). According to the daily computation and record that was prepared and kept by the respondent corporation to meet the requirements of the regulations, on sixteen (16) business days between May 2, 1966, and September 3, 1966, to wit, May 3, 4, 6, 9, 10, 11, July 13, 15, 18, 19, 25, 29, August 1, 3, 31 and September 2, the respondent corporation was under-segregated in amounts ranging from \$ 10,710.03 on July 25 to \$ 832,412.94 on July 13 -- that is, the total amount of customers' money, securities and property held in segregated accounts as set forth in

paragraph V was, according to the respondent corporation's daily computation and record, insufficient, by such amounts, to pay all credits and equities due to such customers.

VII

The daily computation and record prepared and maintained by the respondent corporation for each business day between August 3, 1966, and August 27, 1966, show that the respondent corporation had excess funds in segregation on each such day. However, such computations and records contain errors which as of August 26, 1966, result in an overstatement thereon of the amount of customers' money, securities and property held in segregation in relation to the amount required to be so held, in an amount in excess of \$ 800,000. The principal errors causing such overstatement and the date each such error was first made are set forth in the tabulation, marked Exhibit A, attached hereto and made a part hereof. The aforementioned daily computations and records of the respondent corporation, when adjusted to compensate for such errors, show that on twelve (12) business days between August 3, 1966, and August 27, 1966, to wit, August 4, 11, 12, 15, 16, 17, 18, 19, 22, 23, 24 and 25, the respondent corporation was under-segregated in amounts ranging from \$ 16,631.83 on August 4 to \$ 711,958.14 on August 23 -- that is, the total amount of customers' money, securities and property held in segregated accounts as set forth in paragraph V was, according to the daily computation and record when so adjusted, insufficient, by such amounts, to pay all credits and equities due to such customers.

VIII

Examination of the records of Bache & Co., the partnership, by the Commodity Exchange Authority as of October 27, 1961, August 31, 1962 and August 23, 1963, disclosed that the firm had not satisfactorily complied with the requirements of the Commodity Exchange Act and the regulations thereunder relating to the

handling of customers' funds and to the preparation and maintenance of records in connection therewith. These matters were called to the attention of Bache & Co. and on February 18, 1964, the Administrator of the Commodity Exchange Authority wrote a letter to respondent Harold L. Bache as follows:

Our most recent audit of Bache & Co., conducted as of August 23, 1963, disclosed serious deficiencies on the part of your firm.

When our accountants started the audit they found that your records indicated undersegregation on 13 days in amounts ranging up to almost \$ 350,000. In a number of instances undersegregation was indicated for several days before being corrected. Inasmuch as the segregation requirements of the act and regulations were discussed with partners of your firm after previous audits, I am disturbed to find from this latest audit that when your own records indicated an undersegregated condition, remedial action was not immediately taken.

On July 1, 1963, I wrote you calling your attention to the continuing failure of your firm to meet the reporting requirements under the act. While the last audit reveals improvement with regard to the '00 series reports, it also reveals that serious deficiencies continue with regard to the '01 series reports. In '01 reports submitted for August 23, for example, your firm made 22 errors in reporting customers' positions. In 12 of these cases, positions were reported for individuals who had completely closed out such positions before that date.

Our examination revealed that recordkeeping inadequacies on the part of your firm were so numerous as to make your segregation record unreliable for determining whether there was compliance with the segregation provisions of the act and regulations. We do not find at other firms of comparable size to yours the recordkeeping deficiencies that we find at Bache & Co. We cannot continue to accept such records as constituting compliance with the recordkeeping requirements of the act and regulations.

The purpose of this letter is to call again to your attention the failure of Bache & Co. to observe the segregation, reporting and recordkeeping requirements of the act and regulations. As I advised you in my letter of July 1, 1963, the continued failure of your firm to comply with the provisions of the statute and regulations could lead to the issuance of a complaint looking toward revocation or suspension of your registration as a futures commission merchant.

I would appreciate hearing from you regarding steps you are taking to achieve continuing compliance with the provisions of the act and regulations.

In a letter dated February 19, 1964, respondent Harold L. Bache wrote the Administrator as follows:

I have your letter of February 18th in regard to the undersegregation which has been discussed with you last August and, it is my understanding, has been completely cleared up.

We have made a thorough reorganization of our accounting program and moved its supervision into strong hands.

We are sure that we are in splendid condition.

Mr. Tessler, who is in charge of our operations in the Commodity Department, receives a daily report showing oversegregation.

I am, however, instructing our Treasurer to make an immediate study of this situation, and upon my receipt of his report, you will hear further from me.

Thank you for drawing this matter to my attention. We feel we have a good accounting operation now.

In a letter dated March 18, 1964, respondent Robert C. Hall wrote the Administrator as follows:

Referring to Mr. Bache's letter of February 19, 1964, in which he stated that he was instructing the Treasurer to make an immediate study of the situation

which was invited to our attention in your letter of February 18, I am pleased to report as follows: With reference to the under-segregated condition outlined in paragraph 2 of your letter, kindly be advised that we have taken the following action:

- 1) Instituted a system of cross-check to verify the figures comprising the daily C.E.A. segregation requirements.
- 2) Formalized our C.E.A. segregated fund reporting structure by establishing a flow of daily copies of written reports to both the Treasurer and the Partner in Charge of the Commodity Division.
- 3) Increased our minimum oversegregated fund base from \$ 300,000 to \$ 400,000.

With reference to reporting requirements under the Act, as you know earlier this year the Commodity bookkeeping function was transferred to our Operations Division to consolidate all operations under one responsible partner. Additional staff has been retained and existing staff upgraded and we have achieved much better coordination between our New York and out of town office commodity reporting.

During this calendar year all of our commodity bookkeeping functions will be placed on the computer in stages, which will greatly simplify our reporting procedures and improve the accuracy of such reports. We therefore feel that the reporting requirements under the Act will be fulfilled in an increasingly effective manner.

By the same token we believe that the steps that we have instituted as we have outlined above will make our record keeping accurate at all times so that our segregation record will be reliable and we will be able to comply strictly with the segregation requirements under the Act.

We look forward to your next examination and hope that you will be fully satisfied with the remedial action which we have taken.

Examination of the records of Bache & Co. by the Commodity Exchange Authority as of June 26, 1964, again disclosed that the firm had not satisfactorily complied with the requirements of the Commodity Exchange Act and the regulations relating to the handling of customers' funds and to the preparation and maintenance of records in connection therewith. On November 18, 1964, representatives of the Commodity Exchange Authority called these matters to the attention of representatives of Bache & Co., including respondent Robert C. Hall, and they assured the representatives of the Commodity Exchange Authority that necessary corrective measures would be taken.

IX

By reason of the facts described in this complaint, the respondents wilfully violated sections 4d(2) and 4g of the Commodity Exchange Act (7 U.S.C. 6d(2), 6g), and sections 1.20, 1.23, 1.32 and 1.35 of the regulations thereunder (17 CFR 1.20, 1.23, 1.32, 1.35).

WHEREFORE, it is hereby ordered that this complaint and notice of hearing be served upon the said respondents. The respondents will have twenty (20) days after the receipt of this complaint in which to file with the Hearing Clerk, United States Department of Agriculture, Washington, D. C. 20250, an answer with an original and four copies, fully and completely stating the nature of the defense and admitting or denying, specifically and in detail, each allegation of this complaint. Allegations not answered will be deemed admitted for the purpose of this proceeding. Failure to file an answer will constitute an admission of all the allegations of this complaint and a waiver of hearing. The filing of an answer in which all of the material allegations of fact contained in the complaint are admitted likewise shall constitute a waiver of hearing unless a hearing is requested. The respondents are hereby notified that unless hearing is waived, a hearing will be held at 10:00 a.m., local time, on November

15, 1967, in New York, New York, at a place therein to be specified later, before a referee designated to conduct such hearing. At such hearing the respondents will have the right to appear and show cause, if any there be, why an order should not be made suspending or revoking the registration of respondent Bache & Co. Incorporated as futures commission merchant, and directing that all contract markets refuse all trading privileges to each respondent for such period of time as may be determined.

It is ordered that this complaint and notice of hearing be served on each of the said respondents at least twenty (20) days prior to the date set for hearing.

Done at Washington, D. C.

OCT 13 1967

[SEE SIGNATURE IN ORIGINAL]

Acting Assistant Secretary

EXHIBIT A

BACHE & CO. INCORPORATED

PRINCIPAL ERRORS AFFECTING THE AMOUNT OF MONEY, SECURITIES AND PROPERTY HELD IN SEGREGATED ACCOUNT IN RELATION TO THE AMOUNT REQUIRED TO BE SO HELD IN ORDER TO COMPLY WITH SECTION 4d(2) OF THE COMMODITY EXCHANGE ACT, AS REVEALED BY EXAMINATION AS OF AUGUST 26, 1966

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1965			
1	Dec. 2	Improper entry in segregated funds bank ledger account No. 99 23151.	(\$ 635.00)	
	1966			
2	March 3	Securities shown as being on deposit with the New York Produce Exchange Clearing Association when such was not the case.	(50,000.00)	
3	April 4	Transfer of funds from segregated funds account in bank No. 10154 not shown in segregated funds bank ledger account.	(70,000.00)	
4	April 25	Disbursement from segregated funds account in bank No. 61151 not shown in segregated funds bank ledger account.	(518.20)	
5	April 26	Disbursement from segregated funds account in bank No. 61151 not shown in segregated funds bank ledger account.	(362.50)	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
6	May 11	Deposit in segregated funds account in bank No. 61151 not shown in segregated funds bank ledger account.	\$ 362.10	
7	June 1	Deposit in segregated funds account in bank No. 29151 not shown in segregated funds bank ledger account.	15,000.00	
8	June 17	Improper entry in segregated funds bank ledger account series, account No. 99 72152.	(800.00)	
9	June 29	Improper entry in segregated funds bank ledger account No. 99 12151.	(1,000.00)	
10	June 30	Improper entry in segregated funds bank ledger account No. 99 23151.	(400.00)	
11	July 1	Deposit in segregated funds account in bank No. 29151 not recorded in segregated funds bank ledger account.	900.00	
12	July 11	Deposit in segregated funds account in bank No. MR 151 not recorded in segregated funds bank ledger account.	5,000.00	
13	July 15	Regulated commodity interbank clearance account No. 99 SB 296 overstated.	(11,000.00)	
14	July 20	Deposit in segregated funds account in bank No. MH 151 not recorded in segregated funds bank ledger account.	4,700.00	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
15	July 21	Deposit in segregated funds account in bank No. 59154 not recorded in segregated funds bank ledger account.	\$ 642.00	
16	July 25	Deposit in segregated funds account in bank No. 54153 not recorded in segregated funds	17,214.85	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966	bank ledger account.		
17	July 26	Deposit in segregated funds account in bank No. 17151 not shown in segregated funds bank ledger account.	1,000.00	
18	July 26	Improper entry in segregated funds bank ledger account No. 99 17151.	(3,550.00)	
19	July 26	Deposit in segregated funds account in bank No. MH 151 not shown in segregated funds bank ledger account.	1,975.00	
20	July 26	Transfer of funds from segregated funds account in bank No. 40151 not shown in segregated funds bank ledger account.	(50,000.00)	
21	July 28	Disbursement from segregated funds account in bank No. 43151 not shown in segregated funds bank ledger account.	(500.00)	
22	July 28	Regulated commodity interbank clearance account No. 99 38296 overstated.	(25,000.00)	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
23	July 29	Transfer of funds from segregated funds account in bank No. PX152 not shown in segregated funds bank ledger account.	(\$ 16,000.00)	
24	July 29	Improper entry in regulated commodity interbank clearance account No. 99 23296.	40,000.00	
25	Aug. 1	Segregated funds bank ledger account No. 97 10164 not included in preparing segregation record.	1,202.50	
26	Aug. 1	Deposits in segregated funds account in bank No. 99155 not recorded in segregated funds bank ledger account.	66,000.00	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
27	Aug. 1	Improper entry in segregated funds bank ledger account No. 99 41152.	31,600.00	
28	Aug. 3	Transfer of funds from segregated funds account in bank No. 64159 erroneously treated as a deposit in the segregated funds bank ledger account for that bank.	(153,084.00)	
29	Aug. 3	Improper entry in ledger account No. 99 46159, a segregated funds bank account series.	76,542.00	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
30	Aug. 3	Deposit in segregated funds account in bank No. 99155 not recorded in segregated funds bank ledger account.	\$ 15,000.00	
31	Aug. 3	Regulated commodity interbank clearance account No. 99 09296 overstated.	(55,000.00)	
32	Aug. 3	Regulated commodity interbank clearance account No. 99 41296 overstated.	(5,000.00)	
33	Aug. 3	Deposit in segregated funds account in bank No. 51151 not recorded in segregated funds bank ledger account.	1,500.00	
34	Aug. 3	Deposit in segregated funds account in bank No. 05154 not recorded in segregated funds bank ledger account.	2,800.00	
35	Aug. 4	Transfer of funds from segregated funds account in bank No. 23151 erroneously treated as deposit in the ledger account for that bank account.	(80,000.00)	
36	Aug. 4	Deposit in segregated funds account in bank No. MH151 not recorded in segregated	4,750.00	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966	funds bank ledger account.		
37	Aug. 4	Failure to make proper entry in segregated funds bank ledger account No. 99 99155.	(667,676.87)	
38	Aug. 5	Deposit in segregated funds account in bank No. 36159 not recorded in segregated funds bank ledger account.	300.00	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
39	Aug. 8	Transfer of funds from segregated funds account in bank No. 43151 not shown in segregated funds bank ledger account.	(\$ 12,000.00)	
40	Aug. 8	Disbursement from segregated funds account in bank No. 06151 not recorded in segre- gated funds bank ledger account.	(600.00)	
41	Aug. 8	Credit entry in ledger account No. 96 00311 not included when totalling customers' ledger balances for the segregation records.	\$ 55,836.31	
42	Aug. 9	Transfer of funds from segregated funds account in bank No. PL 152 not recorded in segregated funds bank ledger account.	(30,000.00)	
43	Aug. 10	Deposit in segregated funds account in bank No. MH151 not recorded in segregated funds bank ledger account.	3,000.00	
44	Aug. 10	Deposit in segregated funds account in bank No. MH151 not recorded in segregated funds bank ledger account.	2,800.00	
45	Aug. 11	Deposit in segregated funds account in bank No. MH151 not recorded in seg- regated funds bank ledger	2,300.00	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966	account.		

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
46	Aug. 11	Deposit in segregated funds account in bank No. 54153 not recorded in segregated funds bank ledger account.	\$ 26,952.22	
47	Aug. 15	Deposit in segregated funds account in bank No. 54153 not recorded in segregated funds bank ledger account.	1,579.00	
48	Aug. 15	Regulated commodity interbank clearance account No. 99 81296 overstated.	(3,600.00)	
49	Aug. 16	Deposit in segregated funds account in bank No. 54153 not recorded in segregated funds ledger account.	2,750.00	
50	Aug. 16	Improper entry in segregated funds bank ledger account No. 99 54153.	17,214.85	
51	Aug. 18	Regulated commodity interbank clearance account No. 99 07296 overstated.	(60,000.00)	
52	Aug. 18	Deposit in segregated funds account in bank No. MH151 not recorded in segregated funds bank ledger account.	4,400.00	
53	Aug. 18	Improper entry in segregated funds bank ledger account No. 99 61151.	(10,777.75)	
54	Aug. 18	Value of U.S. Treasury Bills purchased with customers' funds and shown on the segregation record overstated.	(15,897.61)	
55	Aug. 18	Value of New York City General Obligation Bonds purchased with customers' funds and shown on the	(46,600.00)	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966	segregation record overstated.		

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
56	Aug. 19	Improper entry in segregated funds bank ledger account No. 99 32152.	(\$ 10,000.00)	
57	Aug. 19	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchase with customers' funds	(21,710.00)	
58	Aug. 19	Fluctuation, from previous day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds	(2,700.00)	
59	Aug. 22	Disbursement from segregated funds account in bank No. 17151 not shown segregated funds bank ledger account.	(25,000.00)	
60	Aug. 22	Deposit in segregated funds account in bank No. 32152 not recorded in segregated funds bank ledger account.	3,000.00	
61	Aug. 22	Fluctuation, from previous day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds.	21.53	
62	Aug. 22	Fluctuation, from previous day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds.	(600.00)	
63	Aug. 22	Value of U.S. Treasury Bills purchased with customers' funds not shown on segregation record.	389,380.00	

Amount	
Increase (or	Increase (or

Item No.	Date	Description of Error	Decrease) in Segregation Provided	Decrease) in Segregation Needed
	1966			
64	Aug. 23	Overstatement in segregated funds bank ledger account No. 99 23151 of funds withdrawn.	\$ 1,200.00	
65	Aug. 23	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	1,155.98	
66	Aug. 23	Fluctuation, from previous day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds	(1,400.00)	
67	Aug. 24	Improper entry in segregated funds bank ledger account No. 99 17151.	4,808.00	
68	Aug. 24	Improper entry in segregated funds bank ledger account No. 99 29151.	(700.00)	
69	Aug. 24	Disbursement from segregated funds account in bank No. 52151 not shown in segregated funds bank ledger account.	(1,869.20)	
70	Aug. 24	Deposit in segregated funds account in bank No. MH151 not recorded in segregated funds bank ledger account.	840.00	
71	Aug. 24	Erroneous entry in regulated commodity interbank clearance account No. 99 07296.	(60,000.00)	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
72	Aug. 24	Regulated commodity interbank clearance account No. 99 08296 overstated.	(\$ 10,000.00)	
73	Aug. 24	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	155.55	
74	Aug. 24	Fluctuation, from previous	(2,000.00)	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966	day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds.		
75	Aug. 24	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	60.00	
76	Aug. 25	Improper entry in segregated funds bank ledger account No. 99 38152.	(24,460.58)	
77	Aug. 25	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	419.44	
78	Aug. 25	Fluctuation, from previous day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds.	(1,300.00)	
79	Aug. 25	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	98.89	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
80	Aug. 26	Regulated commodity interbank clearance account No. 99 04296 overstated.	(\$ 8,000.00)	
81	Aug. 26	Regulated commodity interbank clearance account No. 99 DV296 overstated.	(25,000.00)	
82	Aug. 26	Improper entry in segregated funds bank ledger account No. 99 99155.	(7,375.83)	
83	Aug. 26	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	59.73	

Item No.	Date	Description of Error	Amount	
			Increase (or Decrease) in Segregation Provided	Increase (or Decrease) in Segregation Needed
	1966			
84	Aug. 26	Fluctuation, from previous day's overstatement, in the value of NYC General Obligation Bonds purchased with customers' funds.	(5,000.00)	
85	Aug. 26	Fluctuation, from previous day's overstatement, in the value of U.S. Treasury Bills purchased with customers' funds.	21.11	
86	Aug. 26	The balance of regulated customers' accounts in deficit overstated on segregation record prepared as of August 26, 1966.	(\$ 54,752.80)	
87	Aug. 26	Regulated commodity contract difference accounts out of balance.	(575.00)	

LOAD-DATE: June 16, 2008

